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Walesa's Miscalculation: Poland Has Changed

By Christine Spolar
Washington Post Service

WARSAW — In the end, the past caught up with Lech Walesa. The hero of Solidarity and the master of high-stakes politics lost the presidency to the ex-Communist challenger, Alexander Kwasniewski, by miscalculating how fast and how far Poland had changed in the six years since communism fell, analysts here said Monday.

Mr. Walesa, whose campaign rhetoric hammered on vague fears about the return

NEWS ANALYSIS

of communism, failed to see past the blinders of his own great, 15-year-old, political achievements or to realize the depth to which the electorate had changed and tired of crisis politics.

Mr. Walesa conceded his loss Monday night in a press conference marked by disdain for Mr. Kwasniewski, who captured 51.72 percent of the vote, according to official vote tallies by the State Election Commission. The new president vows to keep Poland on the reform path. (Page 5)

A man whose life was committed to fighting a totalitarian regime, Mr. Walesa said Monday night he would refuse to meet with Mr. Kwasniewski, whose election means that both the Parliament and presidency are in the control of former Communists.

"We have nothing to talk about," said Mr. Walesa, who will remain in office until Dec. 21. "I never change my mind."

Mr. Kwasniewski appeared later on state television to commit himself to a modern Polish state. "Poland will never go back



The president-elect, Alexander Kwasniewski, with his wife, Jolanta, saluting his supporters in Warsaw.

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U.S. Stocks Break Landmark Barrier

Dow Average Peaks Past 5,000 In 5-Year Roll for Blue Chips

By Lawrence Malkin
International Herald Tribune

NEW YORK — The Dow Jones industrial average broke through the 5,000 level on Monday, representing a near doubling of the market value of America's blue-chip companies over the past five years.

Despite the fact that the index fell back later in the day, many on Wall Street said they expected the market's overall roll to continue if the companies remained profitable and if Washington provided a climate of prudent national budgeting.

The Dow index of 30 corporations, which stood at 4,000 only nine months ago and at 2,530 on Nov. 20, 1990, as the United States was heading into its last recession, moved just above 5,000 half an hour after morning trading began. Week-end news indicating that the federal budget stalemate was being broken by Congress and the White House provided the impetus.

The index fell back to 4,985 by 11 A.M. but then shot up to 5,003 by 1 P.M. After a downward roller-coaster ride, the index closed at 4,983.09, down 6.86 on the day.

The stock market was restrained by the failure of the bond market to display euphoria about the budget developments. With traders anticipating new cash-management issues promised last week by Treasury Secretary Robert E. Rubin to finance the government, prices of Treasury

securities declined, raising the yield on the 30-year Treasury bond to 6.25 percent and maintaining bonds' attraction as investments relative to stocks.

Although the Dow index itself is little more than "a glamour number," in the words of Hugh Johnson of First Albany Securities, the new high — the 80th this year — was reached after a steady, three-day climb of 118 points that focused attention on Wall Street's strength as a sign of the true power of the U.S. economy.

Abby Joseph Cohen, co-chairman of the securities firm Goldman, Sachs' investment committee, singled out the decline of inflation as the most important cause for the demand for financial assets during this decade, although not the only one.

"Baby boomers and investors in general are interested in financial assets as opposed to tangible stores of value such as second homes, paintings, and collectibles," she said. "Low inflation has focused them on things that are going to grow in value, and people also want things that have a return. That means stocks and bonds."

U.S. companies in particular, she said, have become hugely profitable by firing workers, investing heavily in new computerized machinery, and expanding overseas operations that translate into bottom-line gains with a cheaper dollar. The average return on corporate equity in the United States is roughly 20 percent, twice the rate in Europe and 10 times that in Japan.

Moreover, Ms. Cohen found Washington's budget drama "entertaining" because, in the end, she and most of Wall Street felt the government was bound to continue cutting the budget deficit, either faster or slower, but cutting nonetheless. The deficit is already far below the high of 6.3 percent of gross domestic product reached during the Reagan era in 1983, having sunk to its present level of about 2.5 percent.

Jibing at Europe's problems with public finances in the attempt to attain monetary integration, she said the United States was "the only major country in the world to meet the Maastricht targets" for economic convergence, which stipulate a maximum government deficit of 3 percent and inflation targets long surpassed by America.

Charles Carlson, editor of Dow Theory Forecasts, a technical newsletter tracking the index, said it reflected most broad market indexes, one reason being that "big companies are doing what small ones are doing to innovate and become more efficient."

Excluding Monday's activity, the Dow had risen 30.06 percent since the first of the year while the Standard and Poor's 500 index had climbed 29.60 percent and the New York Stock Exchange Composite Index had gained 26.91 percent.

Although December may well see a pause, as fund managers sell stocks to lock in profits and dress up their year-end books, few market-watchers expect more than a minor correction in coming months unless the anticipated budget agreement is revealed as a sham or the Federal Reserve Board abandons its flexible approach to managing the economy.

Dow Jones	Trib Index
Down 6.86 4983.09	Up 0.79% 127.33
The Dollar	
New York	Men close previous close
DM	1.4075 1.4073
Pound	1.554 1.5433
Yen	101.345 102.15
FF	4.8542 4.8482

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Bosnia Negotiators Get Some Leeway as Treaty Deadline Expires

By Brian Knowlton
International Herald Tribune

WASHINGTON — Amid growing but still-fragile hope of an end to nearly four years of war, the Bosnian peace negotiations continued Monday in Dayton, Ohio, hours after a deadline imposed by the U.S. sponsors of the talks was extended.

Officials said arduous discussions were under way on the most intractable issues, primarily the question of land corridors linking areas held by Bosnian Serbs, as well as the precise shape of Sarajevo.

Negotiators suggested a new round of talks might be needed.

Secretary of State Warren M. Christopher rejoined the negotiations among Bosnia's warring factions after an all-night session and a brief sleep.

"Maybe at the end of the day we'll take stock of where we are; we'll take it one step at a time, hour by hour," said a senior U.S. official, briefing reporters.

Mr. Christopher met several times with all three Balkan leaders Monday.

"We're still talking, and that's a positive sign," another U.S. official said.

A senior Balkan gate told The Associated Press in Dayton that neither side was willing to give up control of

the Posavina, a border in northern Bosnia.

The Bosnian Serbs, who control the 50-kilometer passage between their eastern and western holdings, are seeking to widen it. But the current government side wants its territory to cut through the strip of land in order to allow access to the Sava River on the Croatian border.

Some areas of ostensible agreement had evaporated, officials said. But one source, close to the Serbian delegation, said, "I think there's going to be a deal." He told Reuters that he thought a deal would be reached in time to be initiated Tuesday.

Mr. Christopher's meetings on Monday included all three leaders — Alija Izetbegovic of Bosnia, Slobodan Milosevic of

Serbia and the Croatian leader, Franjo Tudjman, who flew in from Zagreb. Mr. Christopher later met with the European negotiator, Carl Bildt, and other Contact Group members.

On Sunday, the United States had set what it said was an inflexible deadline: At 10 A.M. on Monday, there would be either an elaborate ceremony to initial a peace accord or a simple press conference to announce failure.

But that deadline was extended as the talks continued.

"We think these countries want an agreement," said Nicholas Burns, the State Department spokesman. "But we are not

going to drag them across the finish line."

White House sources said President Bill Clinton might fly to Dayton if he thought he could help clinch an agreement.

As the tentative agreement stood, the Bosnians would be ratifying the loss of 49 percent of their territory. Bosnian Serbs, meanwhile, were struggling to avoid physical isolation within the new Bosnia.

The tentative agreement would set up two ethnic entities. One would be controlled jointly by Muslims and Croats, the other by Serbs. The central government,

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The Pentagon's Latest Outpost: Albania

Ragtag Army Finds Itself Part of U.S. Grand Strategy

By John Pomfret
and David B. Ottaway
Washington Post Service

Looking stately in a sharp new uniform, Major General Perlat Sula stood on a bluff overlooking the deep blue waters off Albania's Adriatic coast. The Albanian Air Force commander wore a pensive look: Dancing through his head, he said, were visions of U.S. Marines landing in the soft surf, U.S. Army helicopters flitting along the shoreline and U.S. Navy warplanes shrieking overhead.

Under Albanian communism, General Sula would have been having a nightmare. "Today," he said, "it is a very good dream."

Only three years after Albania shed a

virulent form of totalitarianism that won it the sobriquet "the North Korea of Europe," its military has run headlong into the embrace of the U.S. Defense Department. The result, a partnership between the richest army in the world and one of the poorest, has spawned what one West European diplomat called "perhaps the weirdest military relationship I've ever seen."

Albania was the first nation in the former Eastern Bloc to formally request entry into the North Atlantic Treaty Organization and the 10th to sign up for NATO's Partnership for Peace.

It is scheduled to become the first state in the former Eastern Bloc to buy weapons from the United States. The Pentagon has allocated \$2 million in its 1996 budget to

help Albania buy two TOW anti-tank systems and five Vulcan anti-aircraft weapons. U.S. military aid to Albania has run the gamut from more than 150 used vehicles to a 500-bed field hospital and a shipment of army underwear. Plans next year are for several T-37 jet trainers and two patrol boats to be thrown in free.

Later this month, a team of U.S. military surveyors is scheduled to arrive in Albania to scout for a training center for Albanians and U.S. sailors and Marines, including the center General Sula visited recently on the seashore at Rreth Garth, 55 kilometers (35 miles) southwest of Tirana, the capital. If a deal is cut — several U.S. officers confirmed that it is being pursued seriously —

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U.S. Budget Standoff Ends; President's Foes Are Elated

Compiled by the Staff from Dispatches

WASHINGTON — A six-day partial shutdown of the United States government ended Monday with a budget compromise between President Bill Clinton and Congress, and with an assertion by the House speaker, Newt Gingrich, that "I think in the long run people are going to say the Republican Congress produced the first balanced budget in a generation."

Under a deal worked out Sunday night, the White House and Congress agreed to extend a stopgap arrangement for financing government operations up to Dec. 15,

giving more time for setting spending levels for 1996 and for dealing with the wider issue of the long-term balanced-budget plan.

Mr. Clinton accepted the Republicans' goal of balancing the federal budget in seven years, but insisted on language intended to protect his priorities in long-term negotiations.

At best, the agreement merely paved the way for an intense debate over the broader bill the Republicans passed last week for balancing the budget by 2002, which Mr. Clinton threatened again to veto as too harsh. The stalemate could repeat itself next month if no overall agreement on taxes and spending is reached.

But with the agreement, Monday morning brought the return of a normal — that is, thick as molasses — rush hour to Washington. About 800,000 federal employees across the country piled into offices where tasks had mounted since Tuesday.

Both sides claimed vindication from the standoff and victory in its outcome.

"The president got what we wanted," Leon E. Panetta, the White House chief of staff, said on ABC's "Good Morning America."

The Senate majority leader, Bob Dole, Republican of Kansas, told Republican

New Beatles: Many Beats Short of a Masterpiece

By Mike Zwerin
International Herald Tribune

PARIS — After months of buildup, the new Beatles record has hit the stores. It resembles an out-of-focus and not-so-instant replay.

This album — the first of three double-CD packages — is like a tout hustling you with a wad of singles wrapped in a hundred-dollar bill: There's less here than meets the eye.

How about album notes that tell you this: "Adding their own distinctive touch, the Beatles threw in the 'cha-cha-boom!' for good measure" on "Besame Mucho." If "Besame Mucho" does not satisfy your nostalgia habit, try "The Sheik of Araby."

The initial version of "Love Me Do," with Pete Best on drums, was only discovered in 1994. So far so good. But, we are told, it is slower than the original. "The tempo varies," the notes inform us. Right. They can't keep time, in other words. It doesn't swing. Just so long as you let us know.



From left, Ringo Starr, Paul McCartney, George Harrison and producer George Martin during the recording.

Although a lot has been made about the digital sound quality, much of it sounds like it's coming from the bottom of a well.

For all its faults, the album bears evidence of that spark that made four mediocre musicians add up to a great deal more than the sum of their parts. On "Lend Me Your Comb," they get into a groove seemingly without knowing it. It just comes on in there all by itself.

Listening to "Free as a Bird," first

recorded circa 1977 by John Lennon as a demo and then finished by the other three in 1994, you can hear how far the group came in 15 years.

That song is so much better than the early '60s material that forms the rest of this CD. They sing better. They're better instrumentalists. This is perhaps the only track you might find interesting if you didn't know who was performing. Fifty-seven tracks like this would add up to a masterpiece.

We are promised two more double albums bringing us up to the time when the Beatles were making some of the 20th century's more interesting music. By the time they get to out-takes of Sgt. Pepper, Abbey Road and the White Album, we might get some insight into how they made their masterpieces. And want more of them.

In the meantime, though, listening to "Anthology 1" will amount to little more than a hard day's night.



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Military Mystery / Economic Woes and Arms Embargo Block Tehran

U.S. Celebrates Iran's Buildup That Never Was

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — An immense, conventional military buildup by Iran forecast three years ago by Washington, and cited ever since as a major, continuing threat to U.S. interests in the Gulf region, never fully materialized, according to U.S. officials and independent experts.

Iran's deepening economic woes and a strict Western embargo on arms sales to Tehran have instead forced the country to scale back sharply its military procurement plans, with the result that it poses much less of a conventional threat to its neighbors than Washington predicted, the officials said.

Billions of dollars worth of Iranian arms purchases — including many orders from Russia or North Korea — have either been put on hold or canceled, leaving the country with few of the advanced planes, tanks, missiles, armored personnel carriers and other modern equipment that it wanted to buy.

U.S. officials report hearing in recent months that many Iranian military officers have been forced to take second jobs to make ends meet, that the government has been scrambling to fabricate spare parts for arms it purchased more than 20 years ago and that the proficiency of the pilots of its military aircraft is dropping steadily.

These problems can be viewed as a sign either that Washington's two-year, concerted campaign to isolate and "contain" Iran — as well as neighboring Iraq — is working better than previously expected or that the repeated U.S. cries of alarm about the growing Iranian military threat have been vastly overblown. But there is no disagreement that "the buildup that was forecast in 1992 hasn't occurred," said a U.S. defense official. He and three other U.S. officials provided a detailed and consistent assessment of Iran's military capabilities on condition that they not be identified.

U.S. warnings about Iran's intentions were sounded in 1992 by Robert M. Gates, then the CIA director, who said that Iran was spending \$2 billion annually on foreign-made weapons systems in a five-year drive to become the region's major power.

His remarks helped fuel anti-Iranian sentiment on Capitol Hill that remains strong. It found expression this summer in draft legislation to cut off U.S. oil purchases from Iran, partly to deny it access to funds that could be spent on the military, and more recently in a plan to punish any foreign companies that invest in Iran's production of oil and natural gas.

Senior Clinton administration officials have recently sounded alarms similar to Mr. Gates'. Undersecretary of State Peter Tarnoff told the House International Relations committee on Nov. 9, for example, that Iran was still engaged "in a conventional military buildup that threatens regional peace and stability."

Secretary of State Warren M. Christopher also has cited the buildup in calling for U.S. allies to treat Iran as a pariah state.

But even without any new U.S. trade sanctions, other officials said, Iran's economic crisis will force further cuts in its defense budget. Already, annual expenditures on foreign arms have declined to between \$500 million and \$800 million, due in part to declining oil revenues and short-term or medi-



Members of the Iranian Army conducting maneuvers south of Tehran this summer. The troops lack major elements of firepower.

Meeting on 3 Disputed Gulf Islands Possible

Agence France-Presse

TEHRAN — The foreign ministers of Iran and the United Arab Emirates may meet soon in Qatar to resume talks on the three disputed Gulf islands, the official IRNA news agency said Monday.

Iranian and UAE officials are currently discussing the strategic islands of Abu Musa, Greater Tunb and Lesser Tunb in Qatar's capital, Doha. These are the first such negotiations since 1992,

when a session in the United Arab Emirates broke up without agreement.

The discussions, which started Saturday, are to set an agenda for an "upcoming meeting" between Iran's foreign minister, Ali Akbar Velayati, and the Emirates' foreign minister, Sheikh Hamdan Bin Zayed al Nahyan, in Doha, IRNA said.

Iran insisted previously that the meeting be held in Tehran since

the last one, in 1992, was in Abu Dhabi.

Abu Dhabi has demanded a comprehensive negotiation on all three islands, while Tehran is ready to discuss only Abu Musa, which was administered by the two countries until a dispute erupted in 1992 after the UAE accused Iran of trying to annex the island.

Iran has contended that its sovereignty over the three islands — at the entrance to the Gulf,

through which one-fifth of the world's crude oil is shipped — is not negotiable. It has called for bilateral talks, however, to remove what it terms misunderstandings.

The Iranian daily newspaper Akhbar described as a "gesture of goodwill" Iran's willingness to hold the talks in Doha rather than Tehran.

Iranian leaders have made no comment about the negotiations in Doha.

Iran's foreign minister said that the country's military buildup was not as large as U.S. officials claimed. He said that Iran was spending \$2 billion annually on foreign-made weapons systems in a five-year drive to become the region's major power.

His remarks helped fuel anti-Iranian sentiment on Capitol Hill that remains strong. It found expression this summer in draft legislation to cut off U.S. oil purchases from Iran, partly to deny it access to funds that could be spent on the military, and more recently in a plan to punish any foreign companies that invest in Iran's production of oil and natural gas.

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The Iranians "are not happy with the Russian technology," and the long-expected purchase of a third submarine is said to be on hold until the defects are repaired. On the other hand, U.S. officials were not pleased by Iran's acquisition last spring of five missile patrol boats from China.

Other military equipment that Iran has evidently been forced to do without includes a Russian command and control aircraft, some advanced SA-10 anti-aircraft missiles, logistics vehicles and hundreds of armored personnel carriers, U.S. officials say.

Under sustained U.S. pressure, Russia agreed last year that it would not sell Iran any additional advanced weaponry or new types of weapons but would only fulfill existing contracts calling for the purchase of several hundred tanks and various other equipment. U.S. officials estimate that Iran may not now be able to afford all these arms for another decade, however.

Even Iran's buildup of troops on the three

small islands it claims in the Gulf — which caused substantial worry when it was publicized last February by the chairman of the Joint Chiefs of Staff, General John M. Shalikashvili — has since been scaled back. Some of the tanks and armored personnel carriers shipped there have been put into storage while around 10 percent of the 4,000 or so soldiers have been withdrawn.

Similarly, an Iranian attempt to obtain medium-range ballistic missiles from North Korea also appears to have been quashed or postponed, U.S. officials said. But China and North Korea are still supplying Iran with missile guidance equipment and technology, as well as Scud B and Scud C missiles.

COMING UP
Costs for the United Nations' 16 current peacekeeping missions are far exceeding the UN's regular budget, and officials sense that trying to stop belligerents from fighting is a mistake.

Seoul Prosecutors Visit Roh in Jail
Fellow Prisoners Unhappy

Reuters

SEOUL — South Korean prosecutors questioned the jailed former president, Roh Tae Woo, on Monday about his slush fund as prisoners were reported to have threatened to go on a hunger strike to protest his special treatment.

A senior prosecutor, Ahn Kang Min, said legal officials had visited Mr. Roh and expected to summon Kim Chong In, Mr. Roh's former secretary for economic affairs, and Lee Won Jo, a former member of Parliament who was in Mr. Roh's inner circle.

Mr. Ahn said that it was unlikely that other politicians would be called in for questioning over Mr. Roh's \$654 million slush fund.

"We will use other ways to see if any politicians were involved," Mr. Ahn said.

In a related development, several prisoners were said to have vowed to go on a hunger strike because they felt it was unfair that special treatment was being given to Mr. Roh, who was arrested Thursday.

"He has committed a crime," said a spokesman for a group claiming to represent the prisoners. "And so he should get the same treatment as any criminal. Several prisoners have vowed to protest."

Mr. Roh is believed to be in a prison cell about twice as large as other very important prisoners get. His cell is heated and he has a private shower.

The prosecution has ordered an investigation into rumors that 31 politicians from both the governing and opposition parties received bribes from Mr. Roh, the South Korean press agency Yonhap said.

It added that prosecutors were trying to find a document that reportedly lists the names of politicians who received bribes or political funds from Mr. Roh's slush fund or enterprises.

In a rarefied confession last month, Mr. Roh admitted gathering \$654 million while president from 1988 to 1993 and retaining \$242 million now in secret accounts.

Kinkel Favors An Oil Embargo Against Nigeria

Reuters

BRUSSELS — Foreign Minister Klaus Kinkel said Monday that he favored an oil embargo on Nigeria as a protest against the hanging of nine civil rights activists 10 days ago.

"I favor an oil embargo and a freeze of assets because these are the measures that would probably impress Nigeria," he said.

Foreign ministers of the European Union meeting here decided to enforce an arms embargo and other sanctions to punish Nigeria. The ministers said further measures were being considered. They did not elaborate.

The statement said the sanctions, which include tighter restrictions on visas for Nigeria's military leaders and their families and a freeze on aid, would have immediate effect.

The ministers also reaffirmed measures adopted in 1993, such as the suspension of military cooperation.

TRAVEL UPDATE

New York Weighs Gambling Cruises

NEW YORK (NYT) — Mayor Rudolph Giuliani has pledged to make a decision by the end of the year on whether to allow gambling cruise ships to sail out of New York City.

If approved, the plan would revive legal casino gambling for the first time since gambling halls were banned by New York state in the 1840s. The cruise ships would skirt the state ban on casino gambling because gambling would not begin until they had dropped anchor in international waters.

The State Assembly speaker, Sheldon Silver, has said he believes the plan would violate a law that prohibits gambling equipment anywhere in New York. But city officials say they believe the ships would be legal as long as they did not carry slot machines or "yes that gambling devices can be transported" to the ships.

Grand Canyon Reopens to Tourists

GRAND CANYON NATIONAL PARK, Arizona (AP) — The Grand Canyon National Park was ready for business Monday, opening its gates to tourists after having to shut down for the first time in its 76-year history.

A trickle of cars began entering the park only hours after President Bill Clinton and congressional Republicans reached an agreement Sunday to reopen federal government.

The closing cost about \$1 million a day in lost tourism revenue for the area. About 13,000 tourists visit the park each day.

Sweden Backs New Car Ferry Rules

LONDON (AP) — Sweden's transportation minister urged the world shipping community Monday to honor hundreds of people who perished on the Estonia and other ferries by improving safety standards.

"It is not acceptable that it should ever happen again," Transportation Minister Ines Uusmann said of the disasters at a meeting of the International Maritime Organization.

It is considering recommendations by a panel of experts to amend the International Convention for the Safety of Life at Sea, which regulates the operation of all car ferries.

Doctors at public hospitals in Italy went on strike Monday for the first time in five years to press for higher pay. The nine unions involved said that members would guarantee emergency services during the 24-hour strike.

Israel and Qatar have agreed in principle on the first flights between the Jewish state and a Gulf Arab country, the director of Israeli civil aviation, Menahem Sharon, said. He said an "understanding" had been reached in talks in Qatar for two weekly round-trip charter flights between Doha and Tel Aviv.

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Mulroney Sues Canada Over Graft Investigation

Compiled by Our Staff From Dispatches

MONTREAL — Former Prime Minister Brian Mulroney, a Conservative, filed a \$37 million lawsuit against the Liberal government of Prime Minister Jean Chretien over Justice Department accusations linking Mr. Mulroney with kickbacks

related to the biggest purchase of aircraft in Canadian airline history.

The huge suit, equivalent of \$37 million, was the first ever by a former prime minister against the Canadian government. It was filed by Mr. Mulroney's lawyers in Quebec Superior Court in Montreal.

Mr. Mulroney did not appear in court when the lawsuit was filed by one of his attorneys, Louis Brousseau. The action names the Department of Justice, the Royal Canadian Mounted Police and the Canadian federal government.

Mr. Mulroney announced over the weekend that he would file the legal action because of what he called "false and reckless" allegations in a letter from the Canadian Justice Department to Swiss authorities on Sept. 29.

The Financial Post newspaper reported Saturday that the Justice Department letter asked Swiss authorities for information on "criminal activities carried out by the former prime minister."

The letter names Mr. Mulroney in connection with alleged payments linked to a 1.8 billion dollar Air Canada purchase of 34 A320 aircraft from Airbus Industrie in 1988, the newspaper reported. Mr. Mulroney was prime minister from 1984 to 1993, and Air Canada was government-owned at the time of the purchase.

Air Canada acquired the 34 Airbus passenger jets after an aggressive bidding contest between the Airbus consortium of French, German, British and

Spanish interests and Boeing Co. of Seattle.

For years, rumors have circulated of multimillion-dollar commissions to Conservative politicians to smooth the way for Airbus with Air Canada. Airbus needed success in North America to reinforce its credibility as a viable competitor of Boeing.

Official inquiries developed no substantive leads, and the case was put aside. But the Justice Department reopened the investigation after a Canadian Broadcasting Co. news program reported this year that Airbus may have paid commissions to Conservative politicians through secret Swiss bank accounts.

In September, the Justice Department wrote to the Swiss government asking for help in investigating the accusations and requesting a freeze on any bank accounts related to the Airbus case.

The letter, which named Mr. Mulroney as the beneficiary of one of the accounts, prompted

Mr. Mulroney's suit, which lawyers said would be filed on Monday and would ask for 50 million dollars in damages.

According to one of Mr. Mulroney's lawyers, Harvey Yarosky, the Justice Department letter said the government believed "that Mr. Mulroney was involved in a criminal conspiracy to accept payments for influencing Air Canada's decision to buy airplanes from Airbus." The full text of the letter has not been released.

Mr. Yarosky said that "Mr. Mulroney categorically and unequivocally states that he had absolutely nothing to do with Air Canada's decision to buy Airbus, nor did he receive a cent from anyone."

While popular at the start of his two terms, Mr. Mulroney left office as the least loved Canadian leader since the advent of public opinion polls. Voters blamed him for economic setbacks that sent unemployment surging into double digits.

(Reuters, NYT)

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DEATH NOTICE

Friends of
John Robinson Fisk
will be saddened
to learn of his death on
17 November 1995. The
cremation will take place at
the crematorium of St-Denis-les-
Joncherelles in Villeneuve,
rue Marcel-Samhat on Friday
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Argentina	1-800-364-4663	Czech Republic	0642-087-187	Italy	177-1077	Panama	115
Armenia	061-800-777-1111	Denmark	800-1-9277	Jamaica (phone)	875	Paraguay	176
Australia	8-16-133	Dominican Republic	1164-77	Jamaica (payphone)	875	Peru	168-07
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Bahamas	1-800-881-877	El Salvador	356-4777	Japan (DC)	0066-55-877	Philippines (payphone)	105-16
Belize	022-002-004	Equatorial Guinea	191	Kenya	0024-131	Poland	0004-800-315
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THE AMERICAS

4th Term Is Out
For Kassebaum

The Associated Press
TOPEKA, Kansas — Nancy Landon Kassebaum announced Monday that she would not seek a fourth term.

"My reason for this decision is very simple and purely personal," the 63-year-old Kansas Republican said. "I believe the time has come for me to leave the Senate and pursue other challenges, including the challenge of being a grandmother."

Mrs. Kassebaum said that recent statements had left few doubts about her intentions, but that she delayed her announcement out of concern for becoming ineffective in the Senate.



Congressional budget committee chiefs, John R. Kasich, left, and Pete V. Domenici, celebrating the compromise.

'A House Divided' Brawls Its Way to a Deal

By Jerry Gray
New York Times Service

WASHINGTON — After a week in which the federal government shut down, two representatives brawled and Democrats staged a sit-in on the House floor, the Senate opened its rare Sunday session with its chaplain praying for divine intervention.

"A house divided against itself cannot stand," the Reverend Lloyd John Ogilvie said. "We acknowledge that presently we are a divided government."

Out of earshot of Mr. Ogilvie's prayer, White House negotiators and the Republican leaders in Congress spent the day making offers, counteroffers and

counter-counteroffers while tourists jammed the public galleries and hallways of the Capitol, one of the few landmarks not closed by the shutdown.

Just before 7 P.M., in a span of five minutes, the Senate by voice vote approved two deals: one that reopened all of the government on Monday, and a second that would keep the government going on a temporary basis until Dec. 15 to give Congress and the president time to work out a permanent deal.

At mid-afternoon, as Mr. Ogilvie was delivering his prayer, offering a special appeal of wisdom for Senator Bob Dole, Representative Newt Gingrich and President Bill Clinton, a White House negotiating team led by the chief of staff, Leon E. Panetta, was in a nearby office

fashioning the two counteroffers.

As negotiators conducted their political horse-trading, the Senate carried on its first Sunday session in five years and only the 17th in its history.

There was hardly discussion, and when there was some, it was on the weeklong shutdown of the government, the longest time in the nation's history, and the accompanying political farce.

"It's a food fight," said Senator John S. McCain 3d, Republican of Arizona. "Mothers wouldn't approve of their sons behaving in the ways that we've seen happen, especially wrestling matches on the floor of the House of Representatives and a great deal of disparagement of integrity and character and personal attacks that are being

mounted on both sides."

From the other side of the aisle, Senator Patrick J. Leahy, Democrat of Vermont, said, "We have a situation where we have become the laughing stock of the world."

Several members rose in support of legislation that would ensure that paychecks for members of Congress were cut off during government shutdowns.

Under current law, members of Congress, along with the president and Supreme Court justices, are considered essential and must be paid during shutdowns.

Also, members of Congress are paid on the first of the month, about \$11,100, rather than every two weeks like most federal employees.

POLITICAL NOTES

Tough Year for Republican Field

ORLANDO, Florida — The presidential straw poll in Florida left the race for the Republican nomination almost exactly where it was when the year began, with Senator Bob Dole of Kansas in a commanding position but unable to generate real enthusiasm among party activists, and his field of rivals struggling for recognition and support.

Ben Ginsberg, a former Republican National Committee official, summed up the last major political contest of 1995: "Everyone had something to be disappointed about."

For Mr. Dole, the straw poll marked the end of a difficult stage: the competitions, events and forums dominated by the activist, deeply conservative wing of the Republican Party. He has survived this stage with his front-runner status intact.

But while his speech contained many of the ideas and issues that normally animate Republican audiences, the 3,400 delegates gave more enthusiastic receptions to other candidates, including Senator Phil Gramm of Texas. (WP)

No Political Holiday for Gingrich

WASHINGTON — The House speaker, Newt Gingrich, said Monday that he was unlikely to run for president but would mull over the issue with his daughters on the Thanksgiving weekend.

"I think it's very, very unlikely. We'll say something about it next Monday," the Georgia Republican told CBS. (Reuters)

Awaiting 'George Washington II'

LOS ANGELES — With his Reform Party pushing hard to establish itself in six more states by Jan. 1, Ross Perot is holding out the possibility — and the challenge — that the party will not run its own presidential candidate if either the Democrats or Republicans nominated "George Washington II."

He said that the party, which is known as the Independence Party in other states, would give his backing to another party's candidate who met Reform Party standards. (NYT)

Quote / Unquote

President Bill Clinton, on the accord with Congress that ended the standoff that partly shut down the government: "The American people have won in two ways. The government will go back to work, we can have an open, honest, straightforward discussion about how best to balance the budget." (AP)

Away From Politics

- Three people were killed when a single-engine plane crashed into an apartment house in Fullerton, California. The fatalities included the pilot of the plane and two people on the ground. (AP)
- Eric Ober, president of the CBS News division, defended the network's decision to kill a "60 Minutes" interview that was critical of the tobacco industry, saying the interview was sound but posed "significant" legal risks. The New York Times had reported that CBS News killed the interview with a former tobacco company executive because they feared, in part, that they would be held legally responsible for violating the man's confidentiality agreement with his former employer, Brown & Williamson. (AP)
- Two American skiers died and four were hospitalized with frostbite after they were caught overnight on a glacier in France. The authorities said the group had been skiing on monitored slopes on the Grande Motte glacier near Chambéry in France, but lost its way after bad weather closed in. The skiers were found about 800 meters from a slope that was marked and regularly monitored. (AFP)

Welfare Wrangle's Ups and Downs
For Clinton, High Hopes Turned Quickly to Ashes

By Alison Mitchell
New York Times Service

WASHINGTON — Moments after the Senate overwhelmingly voted in September to end 60 years of federal social policy and impose a five-year limit on welfare benefits, the White House chief of staff, Leon Panetta, exchanged a triumphant high-five slap with Rahm I. Emanuel, a presidential aide.

The Clinton administration had been bitterly divided over whether the president should support this bill, but on that September day the closest aides to the president saw the Senate action as a victory.

Now, two months later, President Bill Clinton is expected to veto the welfare compromise struck by House and Senate negotiators. His aides say it would mean unacceptable reductions in nutrition programs and aid to disabled children.

Instead of being an example of Mr. Clinton's seeming inability to hold to a single political course, the journey from September's celebration to the president's expected veto shows the quandary facing Mr. Clinton since the Republicans took over what had once been his initiative and pushed his proposals to the right.

In 1991, when Mr. Clinton promised to "end welfare as we know it," he never expected to be confronted by the drastic question he now faces about how far he can accommodate the Republicans.

It may be that Mr. Clinton's warm words for the Senate were largely tactical: By supporting the Senate measure, he became free to veto the conference agreement. Then he could keep the allegiance of liberals and say in 1996 that he had supported the same welfare measure as Senator Bob Dole, the leading Republican.

Or, at year's end, Mr. Clinton may approve a welfare measure that embraces the sweeping changes underlying both the House and Senate bills. Both would replace an array of federal antipoverty programs with limited lump-sum payments to the states and give the states broad authority to run their own welfare programs. The bills would also set a five-year limit on public assistance.

Mr. Clinton's aides say he holds some bedrock principles on welfare: he advocates time limits on benefits, work requirements, child care for working mothers, and strong measures to wrest child support payments from fathers who have abandoned their children.

But in the past few weeks, Mr. Clinton has given mixed signals. First, he disowned his own 1994 welfare plan as too lenient. In an interview with black columnists, he said he could not support "just cav-

alierly putting a bunch of kids back below the poverty line." Yet when his budget office released a study a few days later saying the Senate bill could push 1.2 million more children into poverty, his spokesman said the president still "may have to accept that bill."

Now aides say the president's strategist for 1996, Dick Morris, has moved from believing that the president should agree to a balanced budget and welfare legislation to thinking that he can veto Republican measures as too extreme and make next year a referendum on competing values.

Liberals inside and outside the administration have mounted a crusade to persuade Mr. Clinton to veto the bill.

"This is a crucial moral litmus test for this presidency and this nation," said Marian Wright Edelman, a longtime Clinton friend who heads the Children's Defense Fund.

Attacks on Affirmative Action Falter

By B. Drummond Ayres Jr.
New York Times Service

LOS ANGELES — The drive to outlaw California's affirmative action programs has run into serious political and financial difficulties, and similar efforts elsewhere in the United States, most inspired by the one in California, have also lost momentum.

Though polls show a majority of Americans have strong reservations about the fairness of employment, contracting and college-admission programs that reach out to women and minorities, the push to kill such programs outright has failed thus far to stir much definitive legislative action or to draw the large amounts of money and manpower needed to conduct petition drives.

Rather, at the strong insistence of civil rights and women's organizations, legislators are increasingly taking an "amend it — don't end it" approach, calling for the elimination of fixed racial and gender quotas and goals but urging the retention of outreach programs.

"It's premature to predict the death of affirmative action," said Ralph Nease of the Leadership Conference on Civil Rights, a coalition of public interest groups that is in the forefront of the fight to save affirmative action. "Most Americans still favor righting old wrongs. They may have a problem with quotas, but not with justice."

Here in California, no bill demanding total elimination of affirmative action has made it through the state legislature to date, mainly because of Democratic opposition but also because some Republicans are concerned about a backlash against their party.

More telling, a much-publicized drive to gather enough petition signatures to put affirmative action to an up-or-down vote on the 1996 California ballot is struggling

in legislatures in at least a dozen states — Delaware, Georgia, Illinois, Michigan, Mississippi, New Mexico, North Carolina, Oregon, Pennsylvania, South Carolina, Texas and Washington.

As for petition efforts aimed at ending anti-affirmative action by putting it to a public vote, they are under way in at least five states besides California — Colorado, Florida, Illinois, Massachusetts and Oregon — but thus far with little success.

In Massachusetts, for example, a group called Citizens Against Reverse Discrimination filed official notice in August that it intended to try to put a measure on the 1996 ballot. But with the deadline for collecting 65,000 signatures nine days away, the group has yet to circulate the first sign-up sheet.

No one is yet asserting that affirmative action defenders have carried the day.

"The big effort earlier this year in some states to simply kill affirmative action really didn't go anywhere," said Brenda Trobin, who monitors affirmative action issues for the National Conference of State Legislatures.

"There was too much backlash. What we see coming now, starting early next year, is a big push to keep affirmative action but, at the same time, to fix it, to make it work more fairly. We've gotten calls on the issue from legislators in almost every state."

'Most people still favor righting old wrongs. They may have a problem with quotas, but not with justice.'

to circulate petitions. The issue also lost steam after Governor Pete Wilson, whose presidential campaign helped bring anti-affirmative action movements to the national stage, stepped out of the race in September.

Elsewhere, according to surveys by civil rights organizations and the National Conference of State Legislatures, anti-affirmative action measures have been defeated or have thus far failed to win full floor

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Marguerite Young, Novelist, Dies at 87

By Robert McG. Thomas Jr.
New York Times Service

Marguerite Young, 87, the Indiana-born writer who became a darling of the avant-garde and inspired a devoted cult following even as she infuriated and confounded mainstream critics with a single gargantuan novel, died Friday in Indianapolis.

Miss Young, a longtime New School writing teacher in New York who began her literary career as an award-winning poet and ended it as a critic, essayist and biographer, was a respected literary figure and cherished Greenwich Village eccentric well before Scribners published her one and only novel, "Miss MacIntosh, My Darling," in 1965.

Afterward she became a legend: the woman with the page-boy haircut who looked like W. H. Auden, wrote like James Joyce, strode through the Village in her signature serapes, had breakfast at Bigelow's with Richard Wright, got drunk at the White Horse Tavern with Dylan Thomas, palled around with Truman Capote and Carson McCullers, kept a vast collection of dolls in her Bleeker Street apartment and regaled intimates with tales of her romantic conquests.

Anyone who has not heard of Miss Young, nor read her magnum opus, "Miss MacIntosh, My Darling," need not feel ashamed. Surely one of the most widely unread books ever acclaimed, it has actually been read by comparatively few, by fewer still all the way through.

When she was 20, Miss Young won first prize in a literary contest at Butler University. Her first book of poems, "Prismatic Ground," was published in 1937, a year after receiving a master's in Elizabethan and Jacobean literature from the University of Chicago.

Charles Gordone, 70, Won Pulitzer for Drama

New York Times Service
Charles Gordone, 70, who pioneered a polemical form of

race-conscious theater with a blistering drama that made him the first black playwright to win the Pulitzer Prize, died Friday of cancer at his home in College Station, Texas.

A struggling actor, Mr. Gordone found work in 1952 — and the material for his first play, "No Place to Be Somebody" — as a waiter at Johnny Romero's bar in Greenwich Village. The play was produced on Broadway and won the Pulitzer Prize in 1970.

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ASIA

Anti-Cairo Militants, Stymied at Home, Take Deadly Message Abroad

By Douglas Jehl
New York Times Service

KUWAIT — The suicide bombing in Pakistan serves as the clearest warning yet that Islamic militants may be turning their three-year-old war against the Egyptian government to the international front.

The attack on the Egyptian Embassy in Islamabad on Sunday, which killed 15 people, was the single deadliest strike against an Egyptian government target since 1992.

When the militant Islamic Group began its violent quest to overthrow secular authority in Egypt and impose an Islamic state, it was with the militants' operations in Egypt crushed under a fierce government

crackdown, some experts in Cairo dismissed the choice of a far-off target as a product of desperation.

But the attack is now the latest in a series that began with the attempted assassination of President Hosni Mubarak in Ethiopia in June. It follows a bombing in Croatia last month and the assassination of an Egyptian

NEWS ANALYSIS

diplomat in Geneva a week ago, and it was described by several Western officials as a troubling new sign of the militants' ability to carry out operations beyond Egypt's borders.

"They're on the run at home, and no one

knew whether they might pop back up," a Western official said. "Now it looks like they have."

After two years in which Egypt was rocked by bombings and assassinations, that country has been largely quiet for months, with clashes between militants and the authorities limited to territory along a 240-kilometer (150-mile) stretch of the Nile in the south. Tourists have returned to Egypt in large numbers, and the government's authority appears secure.

But with Egyptian parliamentary elections less than two weeks away, the new attacks outside the country appear at least to be an attempt by the militants to show that they remain a powerful and deadly force.

For the West, which has seen Mr. Mubarak assume a central role as an intermediary in the Middle East peace effort, the bombing carries with it the prospect that the Egyptian leader may need to turn more attention to security matters.

At the same time, the attacks will almost certainly add to tensions between Egypt and European countries like Britain and Germany, which Mr. Mubarak has sharply criticized for their willingness to grant asylum to Islamic militants.

Egyptian authorities have said those countries' policies have helped the militants establish wide-ranging networks, and Mr. Mubarak warned during a visit to Paris last week that such countries

would "one day pay a very high price" for their actions.

In Egypt, the attack comes as Mr. Mubarak and his supporters have put dozens of Muslim leaders on trial in a special military court until now reserved for terrorist suspects.

None of the defendants are accused of taking part in violent attacks, and the widening crackdown on Islamic activists has widened the deep division between their supporters and the secular government.

But while Egypt's poverty and the government's authoritarian ways have sometimes bred support for the militants, the violence of their past attacks has under-

mined support for their cause among ordinary Egyptians. With Egyptian television carrying extensive footage of the country's bomb-wrecked embassy, Mr. Mubarak and his government seem once again to be hoping that pictures of the attack will rebound against the government's critics.

Among those who adopted a hopeful view of the attack was Mohammed Saeed, deputy director of the Al Ahram Center for Strategic Studies in Cairo, who called the bombing "desperate terrorism."

"Pakistan has always been a haven for militants," Mr. Saeed said. "This kind of operation does not require such strong organization or technical skill."

Pakistan Seizes 13 Egyptians In Embassy Blast Fatal to 15

ISLAMABAD, Pakistan — Pakistan said Monday that it had detained 13 Egyptian Islamic preachers after a suspected suicide bombing at the Egyptian Embassy in Islamabad that killed 15 people.

Interior Minister Naseerullah Babar said that the police had detained the Egyptians for questioning at two airports Sunday night and Monday morning as they were leaving after attending two religious conventions in Punjab Province.

He also said that he had accepted a U.S. government offer to send an explosives expert to help Pakistan investigate the bombing, which also wounded more than 60 people Sunday.

Mr. Babar called Pakistan a "victim of international terrorism."

"Our intentions are firm," he said, "and we will not spare any terrorist. If we arrest any terrorist we will hand him over to his country."

Mr. Babar said the police had detained seven Egyptians at Lahore and six at Karachi. They were being questioned and would be allowed to leave after "screening."

"We don't want any terrorists to leave the country in the garb of invitees to these conventions," Mr. Babar said.

Mr. Babar said the detained

Egyptians had attended a convention of the Islamist Jamaat-i-Islami party in Lahore, capital of Punjab, on Nov. 8.

Egyptian investigators also arrived and searched the ruined embassy Monday, while a plane took the five dead Egyptians, two of them diplomats, back to Cairo after a funeral service.

The 10 other dead men included an Afghan and one of an unknown nationality. The rest were Pakistanis.

An Egyptian Embassy official identified the dead diplomats as Hesham Abdelmonem Aboulwafa, a counselor, and a second secretary, Ahmed Namir. The three other Egyptians were security guards.

Police sources said Arab militants were the prime suspects. Pakistan ordered militants to leave the country in 1993 after several Arab states complained that radical groups were using Pakistan as a base for subversion.

At that time, some militants, including Egyptians, Saudis and Lebanese, fled the northwestern city of Peshawar into nearby Afghanistan, a police source said.

Egypt and Pakistan signed an extradition treaty last year, and Mr. Babar said Islamabad had extradited 8 to 10 Egyptians earlier this year because they

were wanted on criminal charges.

Three Islamic groups seeking to topple Egypt's government have taken responsibility for the attack, the bloodiest on an Egyptian target abroad in many years.

The first claim came from the Islamic Group and was followed by others from Jihad and the International Justice Group. Islamic Group failed in June in an attempt to kill President Hosni Mubarak.

Pakistan faces a hard task pursuing Islamic militants without offending mainstream religious parties, diplomats said Monday.

Prime Minister Benazir Bhutto, aiming to improve Pakistan's once-strained ties with the United States, has vowed to stamp out the "militancy and fanaticism" she blames on the legacy of the war in Afghanistan.

But diplomats say she must avoid a backlash by religious parties, several of which support the coalition government she set up two years ago.

"I doubt there will be a broad-brush crackdown, that could backfire," a diplomat said. "They would look for a select slice of the spectrum of opposition groups — those interested in violence, especially foreigners and the 'Afghan Arabs.'"



PICK OF THE PACK — A Beijing smoker looking over a street hawk's imported and domestic cigarettes after China announced it would cut tariffs on many imports next year. Tobacco may be among items affected.

Sri Lanka Storms Into Guerrillas' Stronghold

COLOMBO — After a monthlong offensive that has left thousands dead and wounded, government troops moved Monday into the Tamil rebel stronghold of Jaffna for the first time in five years.

An army statement said the Sri Lankan troops were locked in a fierce battle with Tamil rebels as the forces made a final push for Jaffna.

The army said at least 40 guerrillas were killed around the Hindu temple district of Nallur on the outskirts of Jaffna town, which the rebels have controlled since 1990.

"The advance was slow due to booby traps and mines and also due to the fact that the area is heavily built up," the statement said. It added that the rebels blew up a row of 19 houses.

Thousands of soldiers stormed into Nallur, on the eastern edge of Jaffna town, shortly after dawn Monday, meeting stiff resistance from the Liberation Tigers of Tamil Eelam.

"We are in Nallur. It means we are now in Jaffna," a military spokesman said. "The advance is continuing."

The advance into the city could be a blow to the rebels, but it is not expected to stop the Tamils' fight for an independent homeland.

The government says it hopes the takeover of Jaffna will make the rebels resume peace talks that were broken off in April.

The rebels have been fighting for 12 years for their own territory in the north and east of this island nation, saying that is the only solution to the discrimination they face from the majority Sinhalese. More than 38,000 people have been killed in the war so far.

Sri Lanka's elite reserve strike force took over from regular troops on Monday and headed for the main city square of Jaffna, overcoming heavy guerrilla resistance, the army's statement said.

Police and army patrols were reinforced in Colombo to prevent a Sinhalese backlash against Tamil civilians.

The rebels said Monday they had killed 50 government troops and destroyed two tanks during a battle Sunday near the Jaffna suburb of Irupali.

Jaffna, a maze of one- and two-story homes on twisting lanes, will be difficult to capture, since its layout aids the guerrilla snipers who have trained there.

Most of the city's 120,000 Tamil civilians have fled in the last three weeks, along with relief workers. It was not known how many rebels were defending it.

There were unconfirmed reports that the rebels, in a broadcast Monday over their clandestine radio, had asked all 800,000 Tamil civilians to move out of Jaffna Peninsula and go to mainland areas still under their control. It was not possible to confirm the report. (Reuters, AP, AFP)

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EUROPE

New President Pledges to Keep Poland on Path to Reform

Compiled by the Staff from Dispatches
WARSAW — Poland's president-elect, Alexander Kwasniewski, vowed Monday to keep the country on a reform track and continue the efforts of the defeated incumbent, Lech Walesa, to join NATO and the European Union.

Mr. Kwasniewski, speaking live on television minutes after official results were published, said he aimed to unite all Poles behind a program of economic growth.

The head of the electoral commission said at a news conference that Mr. Kwasniewski won 51.7 percent of the vote, while Mr. Walesa received 48.3 percent.

Mr. Walesa became the first non-Communist postwar president of Poland five years ago, taking over from General Wojciech Jaruzelski. His election then marked the end of a decade-long crusade against Communist pow-

er. His defeat at the hands of Mr. Kwasniewski, a former Communist government minister, was a bitter blow for Mr. Walesa.

But the founder of the Solidarity free trade union struck back shortly before the final results were announced, saying that he planned to unite opposition and recoup power in parliamentary elections due by 1997.

"I still have a lot of energy," Mr. Walesa said at a news conference. "and the tango will start for real now."

He declared that a large vote in his favor as president obliged him to act.

"There will be a single electoral platform, we will win everything back in short time," said Mr. Walesa, who promised to set up a single electoral bloc.

"Let's not disperse, let's not abandon our hopes, let's not dissipate our strength. Poland needs us," he said in

a message to a staff earlier crushed by his presidential defeat Sunday.

He vowed to respect the voters' verdict, however, and his spokesman said he was preparing to hand over his chancellery when his remaining month in office ended.

But Bronislaw Geremek, the father figure of the centrist Union for Freedom, the largest opposition party, earlier doubted whether Mr. Walesa was the man to bring the parties together.

"I don't know if it can unite, or unite around the loser in this campaign," Mr. Geremek told a radio interviewer.

The constant conflict between Mr. Walesa and the government, the vetoing of bills and delayed legislation, may have contributed to his defeat, but he has proved himself a doughty fighter.

Mr. Kwasniewski, 41, has pledged

reconciliation, saying that all political camps should take part in Poland's future. "Our task can only be carried out if we all work together."

In a first reverberation of Mr. Walesa's defeat, the three ministers of defense, foreign affairs and the interior, who owed their posts to him, resolved to step down. Mr. Karpinski said they were offering resignations to Prime Minister Jozef Oleksy.

Mr. Walesa became a symbol of resistance to Communist rule when he founded the Soviet bloc's first free trade union at a Gdansk shipyard in 1980. In 1981, he was jailed in a Communist crackdown.

Mr. Walesa based his presidential campaign on invoking the crimes and errors of the Communist past, but voting trends suggested that many had put the battle with communism behind them.

Mr. Walesa said when campaigning that if voters gave the presidency to Mr. Kwasniewski, on top of the government and parliamentary majority his Democratic Left Alliance party captured in 1993, Poland would fall into a "red spiderweb."

Analysts said a litmus test of Mr. Kwasniewski's pledges to heal old divisions would be whether his grouping picked its own supporters for the three ministerial portfolios and eventually other key posts occupied by people loyal to other parties.

The posts of central bank governor, ombudsman, and head of the supreme court judge are all held by people who ran against Mr. Kwasniewski in the elections.

He represents a new breed of former Communist social democrat now being voted to power across Eastern Europe. (Reuters, AP)

BRIEFLY EUROPE

Swedish Health Workers Strike

STOCKHOLM — Some 4,000 Swedish nurses, midwives and lab technicians employed in the public sector went on strike Monday after last-minute negotiations ran aground, a union spokesman said.

The health-care workers' union, SHSTF, has demanded an average wage increase of 5,000 krona (\$760), or about 22 percent, over a three-year period, plus additional sums to be distributed at local level. (Reuters)

Kurds Propose U.S. Mediation

BEIRUT — The leader of Turkey's Kurdish rebels was quoted Monday as saying his guerrillas would halt a 12-year war against Ankara if the United States stepped in to mediate a settlement of the Kurdish problem.

Abdullah Ocalan, leader of the outlawed Kurdistan Workers' Party, or PKK, told the London-based, Arabic-language newspaper Al Hayat that a settlement lay in the establishment of Kurdish federations within Turkey, Iraq and Iran. (AP)

Papandreou Enters Hospital

ATHENS — Prime Minister Andreas Papandreou was admitted to the hospital Monday, shortly after canceling a meeting of his Socialist Party's members of Parliament because he was not feeling well.

Mr. Papandreou, 76, was taken to the Onassis Cardiac Surgical Center, a police source said. Mr. Papandreou underwent major heart surgery in 1988 and has appeared frail in recent years. (AP)

Ex-SS Captain Leaves Argentina

BARLOCHE, Argentina — Former SS Captain Erich Priebke, escorted by Italian police, departed Monday for Rome to stand trial for his participation in a World War II massacre of 335 civilians.

Mr. Priebke, 82, spent his last hours in Argentina under guard in his small second-floor apartment in Bariloche, an Andean mountain resort. His extradition was ordered by the Argentine Supreme Court. (AP)

Calendar

EU events scheduled for Tuesday:

BRUSSELS: Meeting of EU think tank on intergovernmental conference.

BRUSSELS: First day of plenary session of economic and social committee.

BRUSSELS: EU Commission President Jacques Santer meets with Prime Minister Felipe Gonzalez. Sources: Agence Europe, AFP

In Reversal, EU Will Consider Ending Trans-Atlantic Tariffs

By Tom Buurke
International Herald Tribune

BRUSSELS — European Union foreign ministers agreed Monday to study the possible elimination of tariffs and other barriers to trade with the United States, giving a strong boost to efforts to build a trans-Atlantic free-trade area.

The trade study, along with a commitment to seek an acceleration of tariff reductions in the short term, was expected to form the centerpiece of a trans-Atlantic declaration that President Bill Clinton will sign with Prime Minister Felipe Gonzalez of Spain, holder of the EU presidency, on Dec. 3 in Madrid.

The agreement by EU ministers here marked a surprising turnaround in sentiment for free trade. The proposal was first floated early this year as a way of cementing trans-Atlantic ties strained by disputes over trade and policy toward the former Yugoslavia, but was quickly

dismissed by senior U.S. and EU officials as politically unrealistic.

"The idea is very much alive and well and living across the Atlantic," said Sir Leon Brittan, the EU trade commissioner.

"This is the most significant advance in trans-Atlantic relations since the founding of the European integration movement in 1957," said Stuart E. Eizenstat, the chief U.S. delegate to the European Union. "It will belie any notion that the United States in the post-Cold War era is in any way less engaged in Europe's future than it was in the Cold War era."

The study does not commit either the United States or Europe to entering a free-trade agreement or set a timetable for decisions, but both sides hailed it as a sign of their commitment to liberalizing trade. In the short term, the ministers endorsed an EU-U.S. action plan that commits the two sides to seek to accelerate tariff reductions that

are being phased in under the recent world trade agreement.

The EU ministers overrode French objections to a free-trade study by calling for Europe and the United States to seek to foster monetary stability as part of their cooperation on macroeconomic policy.

France, which has lobbied vigorously to discuss monetary issues directly with Washington, contends that the United States has stolen jobs and growth from Europe by allowing the dollar to weaken substantially.

Sir Leon and Malcolm Rifkind, the British foreign minister, stressed that any bilateral discussions of monetary policy would not interfere with the primacy of the Group of Seven industrialized nations and the International Monetary Fund on the issue.

Mr. Eizenstat said the proposed monetary cooperation did not appear to cause problems with Washington because of the accent on the G-7 and the IMF.

He said that he could not comment until he had seen the agreement, but that Washington could accept monetary cooperation as long as it did not supersede the G-7's leading role on currency questions.

Meanwhile, EU ministers continued a dialogue of the deaf over nuclear testing Monday, with France and its EU partners blasting each other's positions in public but declining to discuss the issue in private.

Foreign Minister Hervé de Charette accused 10 of France's EU allies of hypocrisy for voting to condemn nuclear testing at the United Nations last Thursday, just one day after agreeing that France's nuclear weapons contribute to European security.

But he said he did not debate the issue with his colleagues here and that the matter would be resolved bilaterally between Paris and other EU capitals. "There is no European crisis," he said.

Foreign Minister Susanna Agnelli of Italy expressed regret over the decision of President Jacques Chirac to cancel a meeting that had been scheduled for later this week with her prime minister, Lamberto Dini, in protest of Italy's vote at the UN. But she sought to play down the impact of what she termed a diplomatic "accident."

Foreign Minister Lena Hjelm-Wallen of Sweden, one of the fiercest critics of French nuclear testing, also renewed her government's criticism of French policy, but said she did not raise the subject at Monday's meeting in an effort to limit the damage to European relations. "We all want to cooperate with France," she said.

"Ten votes out of 15 is a very clear message," said Foreign Minister Erik Derycke of Belgium, whose prime minister also was blacklisted by Mr. Chirac over his government's UN vote. "We don't have anything to add to that," he said.

adding that, "in the long term, there is no cloud over Franco-Belgian relations."

The ministers also signed a trade and political cooperation agreement with Israel, which was represented by Shimon Peres in his first foreign trip since taking over as prime minister after the assassination of Yitzhak Rabin.

Mr. Peres reiterated his government's commitment to the Middle East peace process, including the agreement to grant autonomy to the Palestinians in the West Bank and Gaza Strip. "We did it because we don't want to dominate another people against their will," he said.

He welcomed the recent "positive tone" of signals from Damascus about possible peace talks and said his government was ready to meet with Syrian officials at a conference between the European Union and 12 Middle East and North African governments in Barcelona next Monday and Tuesday.

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INTERNATIONAL

Spain's Shepherd to Democracy Quietly Worries

By Marlies Simons
New York Times Service

MADRID — These mornings, as Spain is living a season of memories, the bolder of many secrets of the past can be found in his office a few steps from Madrid's Prado Museum. But Adolfo Suárez González, the prime minister who dismantled Western Europe's last dictatorship, says he is not talking.

Everyone else over 35 it seems has an opinion to offer on the 20th anniversary of the death of General Francisco Franco, but Mr. Suárez, 63, the pivotal figure of the period, has been dodging microphones and cameras because he says he does not want to add to the feverish state of current politics.

He even does not want to publish his memoirs, although he has written more than 800 pages. He said he fears that they may disturb the nervous present.

Spain's enervation comes from general fatigue with the 13 years of Socialist government and its recent scandals, involving corrupt officials, a death squad run by security forces and alleged financial dealings of the king. These top-

ics now so dominate political life that normal government is almost paralyzed.

Opponents openly call government ministers "thieves" and "assassins." On some days the venom and recriminations in Parliament and the press sound as if the country is coming apart.

It has Mr. Suárez worried. During his time as prime minister from 1976 till 1981, when he guided Spain through its transition to democracy, his mediations helped avoid a return to the deep ideological divisions that led Spain into civil war in the late 1930s. Now he fears polarization is returning.

"Our political life has been radicalizing," he said, pacing his law office. "There is a lot of verbal abuse and we have too much confrontation. We need to return to a dialogue."

But the noisy political battles here, ironically, are also a tribute to the country's freedom and democracy. As the nation harks back to the death of Franco — he died on Nov. 20, 1975, after a 36-year dictatorship — many commentators have focused on the breakneck pace of change that has converted a country

long seen as a European backwater into a modern and dynamic state.

Even as politics have now turned nasty, most people, including Mr. Suárez, say they do not fear a return of the violent ideological divisions of the past.

"Our democracy has been consolidated," Mr. Suárez said. But he insisted that Spain needed general elections now "to end the confrontations and the tensions." While these are not due until 1997, Prime Minister Felipe González has promised to call early elections in March, although he has not set a date.

Mr. Suárez recalled with a glint in his eye that when he was head of government and Mr. González, then a fiery young labor lawyer, was his main opponent: "Felipe was always calling for elections. That was part of the game. Now it's for him to schedule elections."

For a moment the polished lawyer seemed to forget his pledge not to talk about the past as he mused about his secret meetings with Mr. González. The encounters between the conservative Mr. Suárez, a former official of the

Franco regime, and the young socialist leader were until now not publicly known.

"Felipe was a very fierce opponent," Mr. Suárez recalled. "But all the same we saw each other secretly. I received him every week and told him what I was going to do." He said his opponent would then go off and publicly criticize and denounce him. "But the following week I would receive him again." Mr. Suárez continued. "He had very little experience then, but he had a lot of pull with people. I told him: 'One day you are going to succeed me.' Felipe has treated me very badly. But I have affection for him."

Today's lack of communication between political antagonists, Mr. Suárez believes, accounts for part of the current tensions and mudslinging in public life. He has quietly mediated between Mr. González and José María Aznar, leader of the conservative opposition party who, polls predict, is likely to win the next general elections. "I know and like them both," Mr. Suárez said. "But they don't trust each other. It's almost physical. They can't stand each other's company."

Shaken, Algeria Rebels Seek Talks With Regime

By Youssef Ibrahim
New York Times Service

PARIS — In what seemed an acknowledgment of a serious setback after Algeria's presidential elections, the outlawed Islamic Salvation Front called Monday for negotiations with Liamine Zeroual, the former army general who has emerged as the country's strongman with 61 percent of the vote.

"Mr. Zeroual is certainly the

valid negotiator to lead the talks on the side of the effective power," said Rabih Kebir, the senior spokesman outside Algeria for the Islamic Salvation Front, outlawed in 1992.

The offer from the Islamist leader, who lives in exile in Germany, constitutes a significant retreat by the FIS, as the party is known by its French acronym, from previous positions.

Until now the Front had

called insistently for the resignation of Mr. Zeroual's government and its replacement by a national unity government, describing this as the only way to end the conflict between secularists and fundamentalists in Algeria which has cost tens of thousands of lives.

The Front and two other secularist parties only last week called upon Algerians to boycott the elections, only to find 75 percent of the Algeria's 16 million eligible voters rushing to vote, with a majority opting for Mr. Zeroual among four candidates, including two moderate Islamists.

Several French, Western and Arab experts viewed the voting and the results in favor of Mr. Zeroual as reflecting Algerian weariness of the civil conflict as well as a desire for a strong new government to cope with swelling problems.

Mr. Kebir appeared to con-

cede that the Algerian Army, which Mr. Zeroual represents, had emerged as the strongest of the political parties in Algeria.

The Islamic Salvation Front is ready for a global solution negotiated between the effective power and opposition, a solution that could lead to peace and stability," Mr. Kebir said in written answers to questions by Reuters.

The Islamist leader conspicuously failed to repeat recent charges that elections had been tampered with, or that the actual voter turnout was less than the government figures indicated.

Observers, including a number of Western and Arab government representatives, asserted the elections had been reasonably orderly and that results reflected a fundamental change in the mood of the Algerian electorate.

Back in 1991, when the first free parliamentary elections

were held, voters opted for hard-line Islamic opposition candidates, giving them 40 percent of the vote.

By comparison, in Thursday's elections the two moderate Islamic figures running for president, Mahfoud Nahnah and Nordine Boukrouh, received 25 percent. In addition to Mr. Zeroual, who won 61 percent of the vote, Saïed Saadi, a militant anti-fundamentalist, won 9 percent of the votes.

France, which has suffered from terrorist bombings by Algerian fundamentalists, also appeared to endorse the results and urged Algeria to move on toward municipal and parliamentary elections.

Prime Minister Alain Juppé said the vote legitimized Mr. Zeroual and pronounced it "fair." He said the government should engage in a dialogue with all parties accepting democratic rules of government.

Rabin Killer Invokes History
He Says Generations Also Pulled TriggerBy Joel Greenberg
New York Times Service

TEL AVIV — Speaking publicly for the only second time since he assassinated Yitzhak Rabin, the confessed killer asserted in court Monday that generations of Jews stood with him when he fired the fatal shots.

"What pulled the trigger was not only my finger, but the finger of this whole nation that for 2,000 years yearned for this land and dreams about it," Yigal Amir said at a hearing in Tel Aviv. Judge Dan Arbel ordered Mr. Amir held until Nov. 30 while the police prepared an indictment.

The killer's remarks opened another window into the mind and motives of Mr. Amir, who has been the subject of public fascination and revulsion in Israel since he fatally shot Mr. Rabin after a peace rally in Tel Aviv on Nov. 4.

In a previous court appearance, he said he had followed Jewish law that required him to kill Mr. Rabin to prevent a planned handover of much of the West Bank to Palestinian control. That step, Mr. Amir said, would lead to war.

Mr. Amir was led handcuffed into a courtroom that was guarded by heavily armed police officers, some carrying automatic rifles. He sat on a bench between two plainclothesmen and gazed out at the room, smiling toward his parents and a sister who were sitting in a back row — their first face-to-face contact with him since the assassination. As his mother, Geula Amir, wept silently, he motioned to her to stop crying. His father,

Shlomo Amir, swayed silently, his hand shielding his face.

A police representative said that Mr. Amir was accused of murdering Mr. Rabin, attempting to kill him on several occasions in the past, possessing weapons and conspiring to commit a crime. Although Mr. Amir has not yet been formally charged, he has confessed to the killing and has reconstructed it before police cameras. He acknowledged Monday that he had tried to kill Mr. Rabin several times.

He said he did not want a lawyer and would represent himself because "no one will be able to express it better than I can."

■ **Conspiracy Unsure**
Barton Gellman of the Washington Post reported earlier:

A central question — Whether an organized conspiracy was behind Mr. Rabin's slaying — has yet to receive anything close to a satisfactory public answer.

The police arrested nine people after Mr. Amir fired two hollow-point bullets into Mr. Rabin's back. In court and in statements to the press, the police and "security sources" described a widening circle of plotters who built a structure of terror.

In that spirit, the Israeli cabinet declared war Sunday on "extremist, violent, racist and terrorist organizations" that it said posed "a great threat to the democratic regime of Israel."

Next to no evidence has been offered of such an organized threat, however, and the police have begun to back

away from some of their early assertions. Some elements of the official story fit strangely, if at all, and disclosures keep leaking out, scrambling the picture every few days.

Sunday, Israel's press and broadcast news boiled with allegations that one of those arrested, an associate of Mr. Amir's who leads an extremist group called Eyal, was a paid informant of the Shin Bet security service.

If Avishai Raviv was a Shin Bet mole — he denied it vigorously — he seems to have been in a position to learn Mr. Amir's plans. Did he miss the signs? Did he fail to report them? Did he report them and the Shin Bet failed, for whatever reason, to act?

No one has offered a reliable answer.

Amnon Abramovitz, the reporter who broke the story for Israel Television, included details such as Mr. Raviv's Shin Bet code name (Champane) but declined to discuss the source of his information.

A former official of the secret service who was in the chain of command of those who could have recruited Mr. Raviv selected the least damaging explanation.

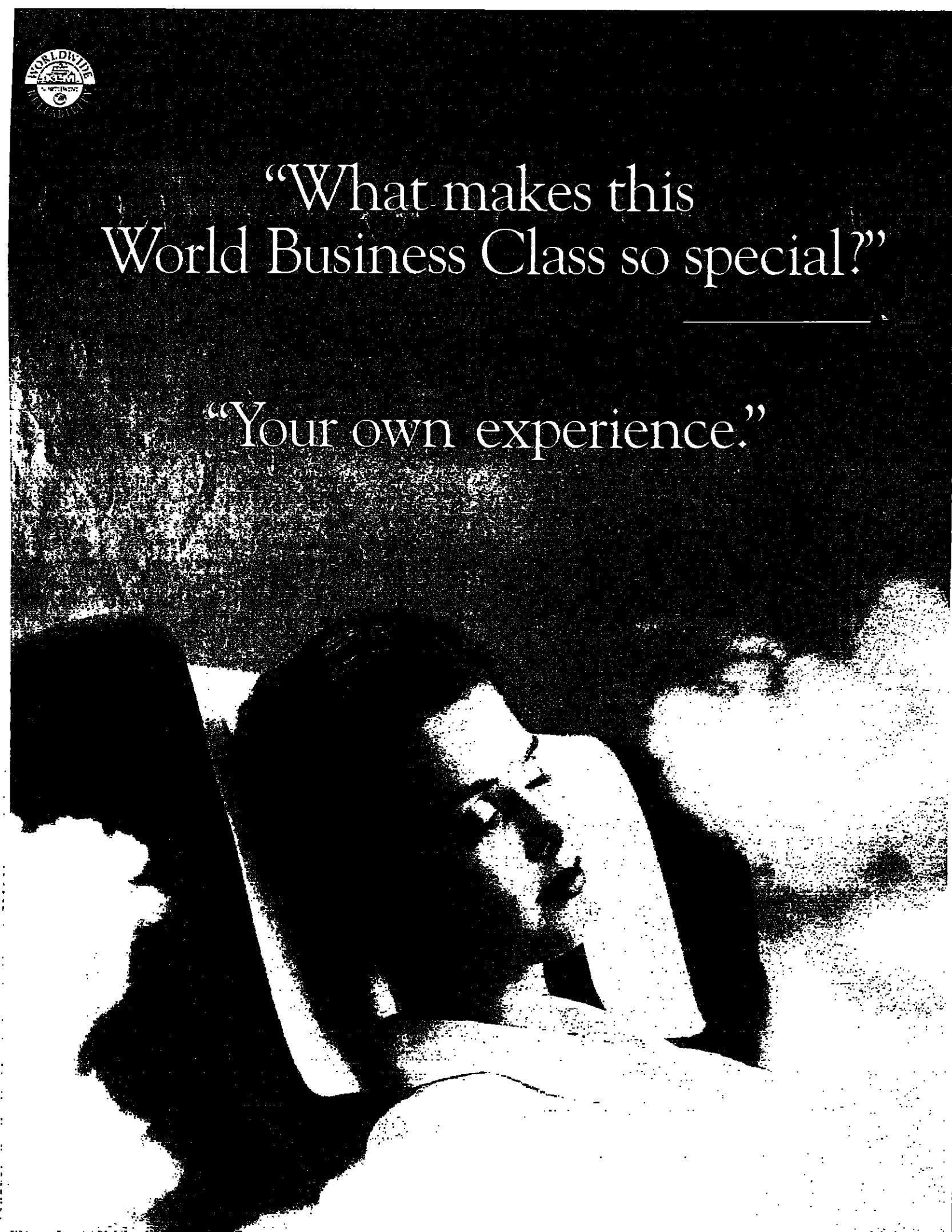
Mr. Amir and his close friends did not trust Mr. Raviv, the official said in an interview, and Mr. Raviv was not involved in the murder because he did not know it was going to happen.

Mr. Raviv was held for nine days and then released Thursday, the only suspect so far to leave jail.

One shortcoming of any conspiracy theory is Mr. Amir's lack of apparent need for organized help.

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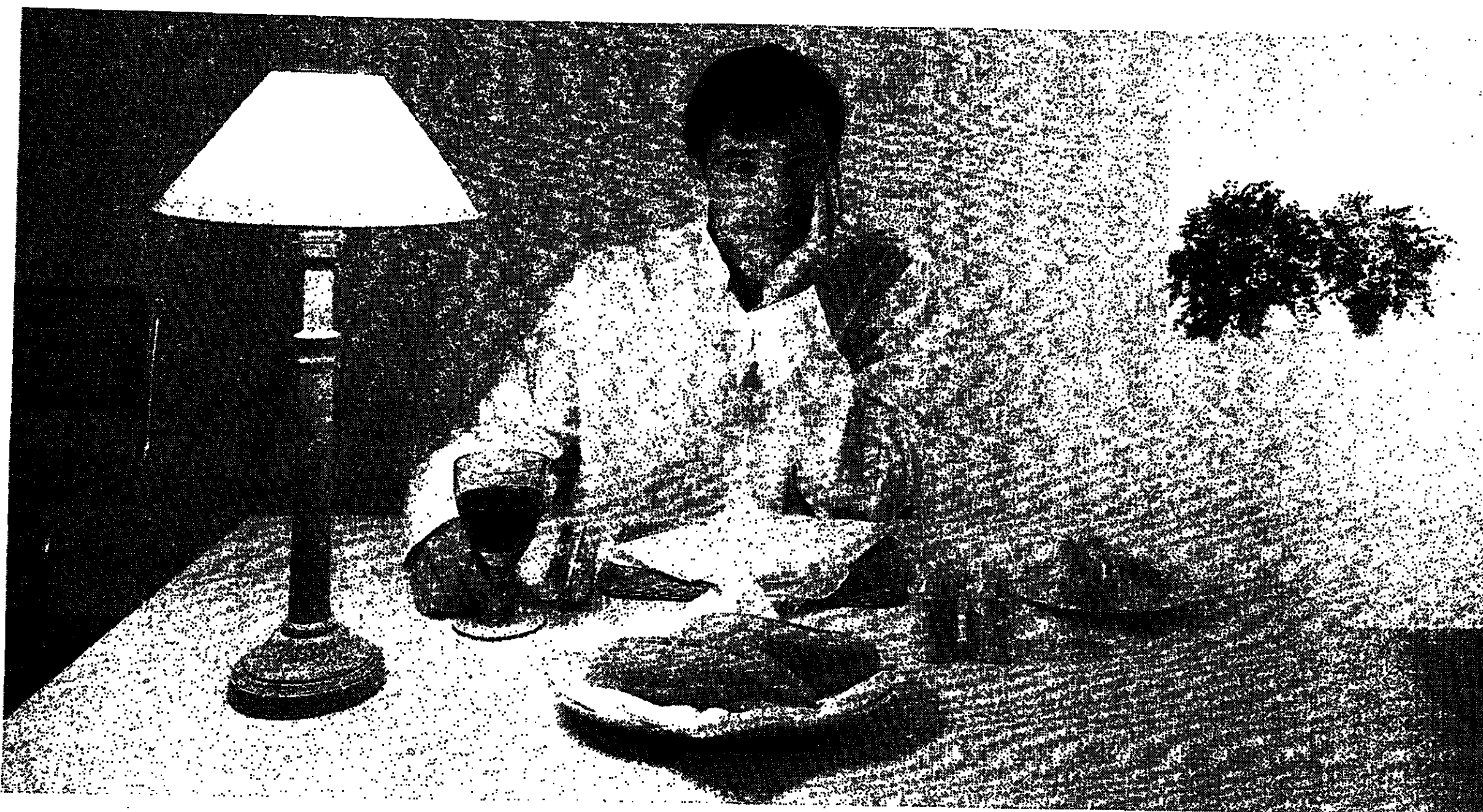


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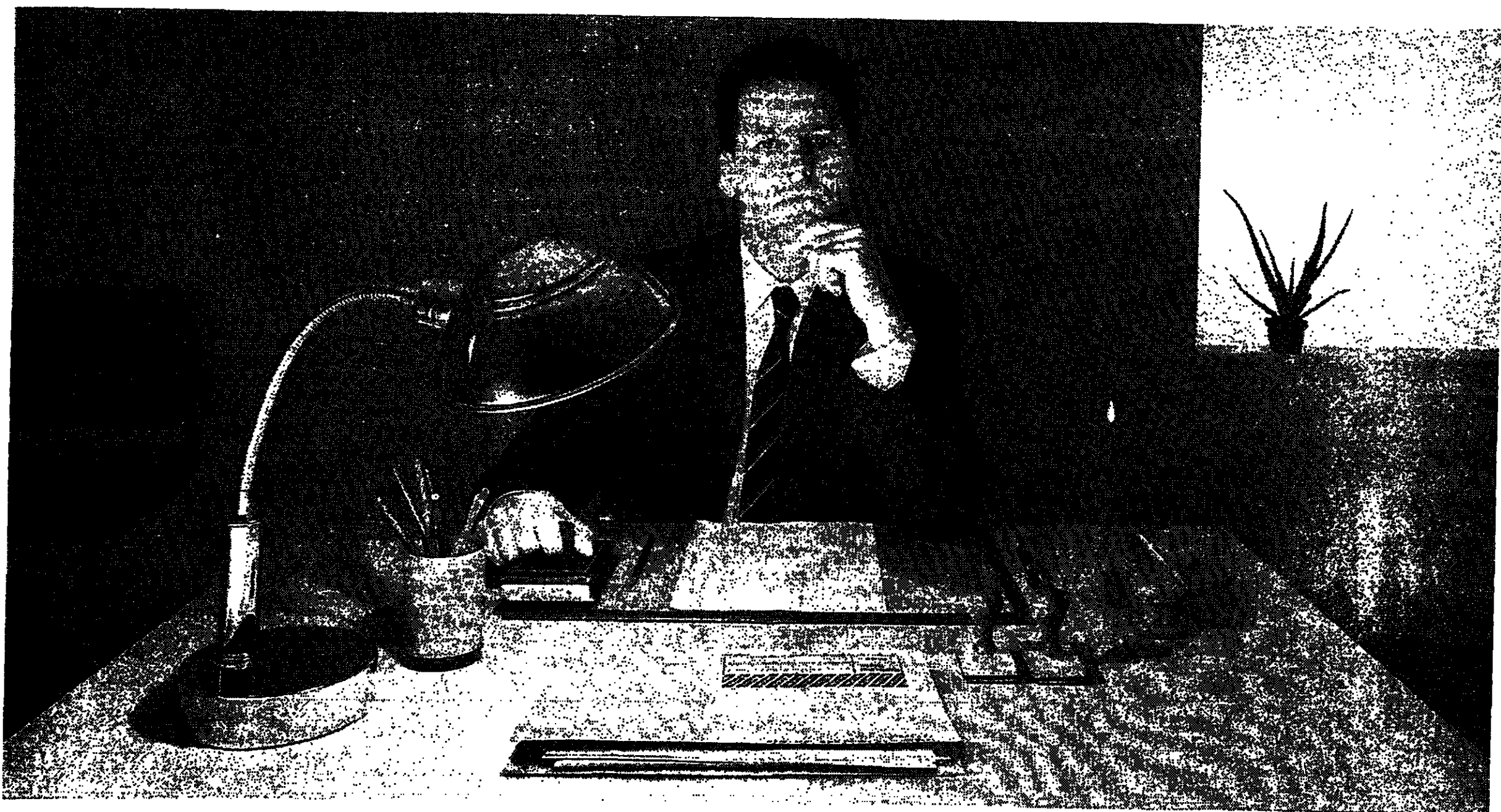
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EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Russia Goes Hollywood

It is disheartening, if not unsurprising, to learn that frivolous political campaigning is now among the primary American exports to Russia. As Russians move gingerly toward democracy and capitalism, the arrival of vacuous political campaigns was probably inevitable. The growth of inflation and violent crime was a warning that the transition from communism would not be painless. Still, it seems a pity that these early years of Russian democracy should now be cursed by the kind of superficial politics that have made Americans despair about their own political process.

As Alessandra Stanley reported last week in *The Times*, next month's parliamentary elections have brought a wave of slick television advertising and Hollywood campaign stunts that might make even Madison Avenue make makers blush.

Hammer, the American rapper, was the marquee performer at one campaign rally. He confessed afterward that he had no clue that his performance was part of a political campaign, and members of the party that booked him, Our Home Is Russia, seemed at a loss to understand the connection between rap music and their centrist agenda.

Vladimir Zhirinovskiy, the extreme nationalist who first rose to prominence with a call to rebuild the Russian empire, is campaigning for re-election with a television ad that shows a steamy cabaret singer unzipping her blouse as she sings of her devotion to him.

This vaporous campaigning might be comical if it were not a reflection of the shallow character of Russian politics, and the desperation of candidates to separate themselves from a field of 5,000 Russians from 43 parties running for 450 seats in the lower house of Parliament.

The unwieldy field is a tribute to Russia's enthusiasm for democratic elections. But with so many fundamental questions about their political and economic system still in flux, and President Boris Yeltsin in limbo after two heart attacks this year, Russians deserve a more serious campaign.

The new Parliament will play a major role in shaping Russia's future. Although the legislature is overshadowed by a strong presidency under Russia's new constitution, Mr. Yeltsin's weakened condition seems likely to afford lawmakers greater influence, at least until presidential elections in June. The country is entering a critical period when reform should be consolidated but may be slowed or even overturned.

The Communist Party, recast but still a threat to reform, has quietly made a comeback and could win a large bloc of seats in the new Parliament. While Mr. Zhirinovskiy has lost appeal because of his erratic behavior, other nationalist candidates may do well. Reformers remain fractured and disorganized.

This hardly seems a time to turn politics over to cabaret singers and rap musicians. There are some American customs Russians can live without. Vacant political campaigns are one.

—THE NEW YORK TIMES.

South Korea's Task

Few have done more to advance democracy in South Korea than the former president, Roh Tae Woo, who abandoned the practice of the military's anointment of a political leader and instead ran fair and won in a direct election. But few have done more once in office to discredit democracy, either. Mr. Roh has confessed to charges that he reaped two-thirds of a billion dollars in bribes for a political slush fund and for other purposes. The man who proudly hosted the Olympics in Korea could spend the rest of his life behind bars. His successor, President Kim Young Sam, is under pressure to account for the financing of his own campaign, which, the opposition alleges, spent nearly 30 times the legal limit.

A Korean public accustomed to tales of payoffs and special privileges is shocked by the scale of the corruption now revealed. The illicit funds came from the country's premier industrial conglomerates. They were buying more than access. Under the Korean system of top-down economic command, specific plums were available. Mr. Roh is said to have licensed 139 new golf courses at \$2.5 million a pop, 17 electric power

plants and so on. The funds went not just to the winning party but, it seems, to the opposition — a pattern that kept politicians across the spectrum mum. The scandal broke only when corruption fighters went after bank deposits held under false names. A businessman holding some of Mr. Roh's dirty money balked at paying a tax.

Corruption reflects human weakness. It can lubricate a rigid system. But fortunate countries have an internal discipline to keep it from getting out of hand. The economic systems of emerging democracies in Asia, not to speak of those in the old Soviet empire, are now generating huge financial temptations. Their political systems are typically short of the requisite discipline.

The toppling of the Marcos regime in the Philippines illustrates how an image of unchecked corruption can mobilize public outrage. That Korean authorities are bravely digging into a world-class scandal speaks well of Seoul. But South Koreans have a huge job ahead — to enforce the law in high places and to strengthen the habits and institutions of control.

—THE WASHINGTON POST.

Medical Privacy

A businessman who told his internist he was feeling "down" about his company's financial future later was denied life insurance because his electronically stored medical records contained erroneous information about chronic depression. An unscrupulous journalist disguised as a doctor was able to obtain access to the medical records of an actress and publish the fact that she was suffering from a sexually transmitted disease. A psychiatrist in Boston advises her patients not to file insurance claims unless they want details of their illness reported to central computer files that are not secure.

It is commonly assumed in the United States that medical records are confidential, and though details of a doctor's diagnosis and treatment may have to be given to an insurance company in order to process a claim, that kind of information will be kept within a small circle of professionals and payers. That belief is outdated, and the prospect of unauthorized disclosure of confidential data grows as the computerization of medical records becomes more widespread. While it is difficult to sneak into a doctor's office or hospital and comb through paper records without being seen, it is no trick if one has a password to review numerous medical files by computer without being detected. Information thus obtained can be sold to commercial interests or used to embarrass or blackmail patients.

Thirty-four states have tried to deal with this problem by passing medical confidentiality statutes of wide variability and differing worth. In other jurisdictions, however, unauthorized disclosure may be unethical but not illegal. And only 28 states guarantee the right of patients to see their own records and ask for correction of inaccuracies. This hodgepodge of state regulation is piecemeal, inadequate and unrealistic in an age in which information is transmitted across state lines instantly and continuously by electronic means.

Legislation designed to establish national standards for the protection of medical records is now being considered by a Senate committee. The bill has strong bipartisan support and the backing of an array of civil liberties and patient advocacy groups. It would provide civil and criminal penalties for unauthorized disclosure of medical records (with a few exceptions) and guarantee patients access to their own records.

Not everyone is satisfied with the bill. Some have argued that exceptions, like those for law enforcement officers with a warrant and for public health officials at every level of government, are too broad. These suggestions merit consideration, but they should not sidetrack the bill. National standards are needed now to protect patient privacy and punish unauthorized release of information in this sensitive area.

—THE WASHINGTON POST.

Other Comment

The Crown Today

Monarchy as an institution is becoming increasingly unfashionable among the white members of the Commonwealth, with Australia toying with the idea of a republic and Canada — at any rate, the French-speaking part of it — involved in a fractious battle in which Britain's Queen Elizabeth plays a symbolic part. But if the Commonwealth can find a credible moral voice, it would do Britain and the world some good.

—S. Nihal Singh, writing in *Khaleej Times* (Dubai)

The World Can Lend a Hand to Burma's Democrats

By David Arnott and Josef Silverstein

NEW YORK — In the struggle between the Burmese military and Daw Aung San Suu Kyi, the first round went to the lady. Daw Aung San Suu Kyi has since landed several blows in the form of videotaped speeches for the UN Women's Conference in Beijing and a labor conference in Manila, as well as several outspoken press interviews. Then, on Oct. 9, her party, the National League for Democracy made its move and reinstated her as secretary-general. The military responded by a leaked rejection of the reinstatement. The party says it will stick to its decision.

Burma is a country of vast human and economic potential, but due to more than a generation of mismanagement by the military, the economy is in a state of chaos and Burma is now classified as one of the poorest countries in the world. A major reason for this impoverishment is that 50 or so percent of the national budget is allocated to the military, and the main areas of the economy are run by soldiers with no financial or economic expertise. A major reason for the high military spending is to prevent the people from rising again. A major reason for popular unrest is people's increasing poverty. A vicious circle.

For six years, the current incarnation of military rule, the State Law and Order Restoration Council, or SLORC, kept Daw Aung San Suu Kyi under house arrest. During this time she rejected SLORC's proposal that she buy her freedom by leaving the country and abandoning Burmese politics. By virtue of the overwhelming victory that her party had in the 1990 elections, as well as her personal popularity, she is the only figure who can unify the Burmese people and push through the necessary economic reforms by means other than fear. Her popularity is why she was kept under house arrest. It is also why the generals need her now.

On July 10, the head of state, Senior General Than Shwe sent a letter to Daw Aung San Suu Kyi asking her to "help toward achieving peace and stability in the country." This is precisely the task that SLORC set itself seven years ago. Daw Aung San Suu Kyi accepted the offer. Her interest, as it has been all along, is a dialogue between the democratic forces and SLORC that will lead to genuine democracy, financial and economic reform, and a just political settlement of the civil war.

The generals hope that by releasing Daw Aung San Suu Kyi and entering a "dialogue" with her and her colleagues, they will gain domestic and international approval. They would like eventually to have her and her colleagues as puppets behind whose popularity and legitimacy they continued to exercise the real power. This is where the battle lines are now drawn: a genuine federal democracy vs. a unitary military state behind a civilian front.

Another reason for Daw Aung San Suu Kyi's release is that the economy is in acute crisis and in urgent need of international assistance. The Japanese have repeatedly told SLORC that releasing Daw Aung San Suu Kyi is the key to the international (or at least the Japanese and Asian Development Bank) treasure chest. Japan has already begun to renew assistance to Burma. SLORC hopes that Daw Aung San Suu

Kyi's release will also satisfy the European Union and the United States and open the doors to further bilateral and multilateral assistance, including World Bank and IMF loans. Daw Aung San Suu Kyi of course is aware of these motives. Since her release she has repeatedly asked foreign governments not to rush to restore trade and other links, and has said that international pressure should continue.

These then are some of the reasons behind the generals' release of their great adversary. There is also a logic in the timing: In terms of the civil war and internal military control, SLORC feels at the peak of its power. This might decline from now on for various reasons including, in the rural areas, increasing poverty with attendant malnutrition and health problems; and in the cities, especially Mandalay, growing unrest over Chinese commercial dominance.

Also, the old dictator U Ne Win is still alive (we assume) and this fact gives a measure of cohesion to the army. The head of military intelligence, Lieutenant General Khin Nyunt, has said that the army might split if Daw Aung San Suu Kyi were released. This danger would be increased after the Old Man's death.

Another timing factor is that Daw Aung San Suu Kyi's release came shortly before the beginning of the ASEAN foreign ministers' meeting, where SLORC hoped that her release would win it increased economic and diplomatic support and, ultimately, membership. And, indeed, SLORC was allowed to sign the Treaty of Amity and Cooperation, which is a necessary step toward membership. (It may be that the welcome SLORC

received at that meeting made some generals feel they could do without the popular support that only an agreement with Daw Aung San Suu Kyi can provide, and that this is behind their wavering stance and the leaked prohibition of her reinstatement as secretary-general.)

How can the international community help Burma move toward genuine democracy?

First, the UN General Assembly should ask the UN secretary-general to facilitate roundtable negotiations between SLORC, the political opposition and representatives of the various ethnic groups and impose a time frame.

Second, Daw Aung San Suu Kyi and her colleagues should be given economic leverage: Though they have the mandate of the people, they lack other forms of power. One way that international actors, including ASEAN countries and Japan, could advance the democratic process is to help correct the imbalance.

This can be done by ensuring that all international involvement in Burma is subject to the guidelines and approval of the representatives of the Burmese people, namely Daw Aung San Suu Kyi, her colleagues and the leaders of the different ethnic groups. Such an approach could increase the bargaining power of the democratic forces in their dialogue with SLORC, and assist the building of a genuine rather than symbolic democracy in Burma.

Mr. Arnott is secretary of the Burma Peace Foundation. Mr. Silverstein is a Rutgers University professor and the author of several books on Burma. They contributed this comment to the *Herald Tribune*.

Spaniards' Outrage Points Up a Moral Sense Missing Elsewhere

By William Pfaff

SEVILLE, Spain — Spain's political season is open, dominated by scandals, although these are unlikely to decide the outcome when Spaniards vote for a new Parliament in March.

The scandals are mostly commonplace affairs of political and financial payoffs or thievery. One is trivially royal — a case in which corrupt bankers allegedly tried to blackmail the king. But one scandal concerns 27 murders and could convict members of the present government.

The Socialist government of Prime Minister Felipe Gonzalez is accused of having ordered the murder of Basque terrorist leaders and activists operating from French territory between 1983 and 1987. The prime minister himself is alleged to have been aware of the affair, which he denies.

The case is interesting because of the degree of moral outrage it has provoked in Spain, which suggests that Spain today is a society with moral expectations of its leaders rather higher than in most countries.

In many democratic countries this affair, if true, would be considered a distasteful affair of political or security expedience. The United States tried for years to kill a foreign chief of state, Fidel Castro, and while this was finally halted by Congress and by press attention, the Kennedy, Johnson and Nixon administrations were never very apologetic about it.

Ronald Reagan later ordered a bombing of Tripoli, Libya, which had as one objective the murder of Libya's exotic and inconvenient dictator, Colonel Moammar Gadhafi.

In the aftermath of the Algerian war, French agents assassinated certain leaders of the Secret Army who were rebelling against the government in Paris and trying to kill President Charles de Gaulle. Britain is accused of having given its SAS commandos "shoot to kill" orders concerning IRA terrorists in Northern Ireland.

The Spanish are said to have run a "death squad." That expression usually denotes a campaign of murder against political opponents inside the country, as in Argentina in the years of the generals' dictatorship, between 1976 and 1983.

What Spain did, if these accusations are true, was hire gun-

men to kill activists of the Basque separatist movement.

These activists had taken refuge in France and were organizing car bombings in Spanish cities and attacks on Spanish government officials. The Spanish allegedly took matters into their own hands.

The murders are now the subject both of court proceedings and parliamentary inquiry in Madrid, and they will undoubtedly have an effect on the election in March. However, the bloom has been off the Spanish Socialists' rose for some time now.

A rose, clutched in a worker's fist, was the happy invention of Socialist publicists in France, distinguishing a friendly left from the threatening one symbolized by hammer and sickle. They went on to win power in 1981, and the Spanish Socialists, under the leadership of Mr. Gonzalez, won in Spain in 1982 and have held power ever since.

The Labor Party in Britain today is hopelessly campaigning under the symbol of the rose, rather than the red flag, to oust John Major and the conservatives from power. In continental Europe, the Socialist parties' fortunes have drastically faded since 1981-82. In France, they lost Parliament in 1993 and the presidency last spring. They left office in a miasma of money corruption scandals. Conventional wisdom says the Spanish Socialists will follow.

The argument is whether the conservative Popular Party led by Jose Maria Aznar will win an absolute majority or merely a plurality. His group is a heterodox alliance of moderate, Christian-Democratic style conservatives with some more authoritarian types and some rigid Thatcherites, who call for the state's dismantlement and wholesale privatization.

The interesting aspect in both the French and Spanish cases, however — certainly from the American viewpoint — is that parties and personalities are sanctioned rather more than the policies of the Socialists, which continue to find sympathy.

The Socialists in both France and Spain long ago abandoned any program that seriously diverged from the mainstream market economics practiced by their

center-right rivals. They simply offered greater concern for the social consequences of the marketplace and greater protection for the vulnerable. (Following their example, Britain's avowedly "New" Labor Party has already captured an important segment of business support, and its leader, Tony Blair, frequently gets louder and longer applause at businessmen's gatherings than Tory speakers.)

In Spain, current polls give the Socialists some 32 percent of the vote and the Popular Party 40 percent. Yet it is suggested that if Mr. Gonzalez leads his party into the election next spring he could make serious difficulties for the fairly colorless Mr. Aznar. Polls suggest that he could add 5 percent to the Socialists' support.

Mr. Gonzalez may, of course, find himself in court instead. But in Spain, as in France two years ago, the time for change has arrived and will no doubt take place.

The Socialists are victims of the corruptions of time and the wastages of power, as well as of the corruptions of money and morals.

International Herald Tribune.
© Los Angeles Times Syndicate.

Best Bet in '96: Powell for Vice President and Secretary of State

By Charles Krauthammer

WASHINGTON — Like most Americans, I am disappointed that Colin Powell did not run for president. I am disappointed that a man of such character and accomplishment will not be in the race. I am disappointed that 1996 will not be the year when America elects its first black president.

How does one bring General Powell back to center stage, which is where a large number of Americans want him to be? And how can the chances of General Powell's chosen party, the Republican Party, be enhanced in the coming presidential election?

With one bold stroke: Assuming, as seems fairly safe today, that Bob Dole receives the presidential nomination at the Republican convention, he should turn to General Powell and tell him that he wants him to be his secretary of state — and vice president.

There is no constitutional impediment to such an arrangement. And there is much precedent for it in other democracies. Indeed, in most parliamentary democracies it is routine, almost required, for a leader-in-waiting to have a serious cabinet post. Vice President and Secretary of State Powell would be comparable to a high-ranking cabinet officer in a parliamentary system who might be expected to inherit the top job should something happen to the prime minister.

There are serious reasons, of course, why General Powell declined to run for national office.

Wouldn't these reasons — the loss of privacy; the assaults on his character, record and family; the grind and grunge of national campaigning — dissuade him from this run, too?

Perhaps. But it is clear that what General Powell shrank from in his fateful decision was not the presidency but the pursuit of the presidency. These are quite different challenges. I doubt General Powell feels he is not up to the former.

It is hard for anyone to be in public life, as in any other line of endeavor, and not aspire to the most important office. General Powell, moreover, is one of those rare Americans who seem destined to be president. The question for him is how to get there.

The classic route of running the presidential gauntlet, the full sprint through the primaries to Election Day, daunts him. Who can blame him? The American way of choosing a president is quite mad. General Powell is not the first good man to decline its absurd trial by ordeal.

However, a vice presidential run, particularly for someone as

well-liked and respected as General Powell is quite a different experience. The vetting of a vice president is certainly a painful experience, but it is nothing like the vetting of a presidential candidate. General Powell will have finished that process and, assuming his ticket wins, placed himself in the perfect position as the already vetted quasi-incumbent to run for the presidency in 2000 — as painless a route to the office as is imaginable.

Given the fact that Bob Dole would be 73 upon inauguration and 77 at the end of his first term, it is highly unlikely that he would even seek a second term. This actuarial fact would enhance not only the value but the political impact of the '96 Republican vice presidential nomination. Generally speaking, vice presidential candidates have little effect on the outcome of a race. Not so a No. 2 on a ticket whose No. 1 is expected to step down after one term. Not so a vice president who would be the natural inheritor of the presidency within four years.

Washington Post Writers Group.

America Must Fix Its Political System

By Anthony Lewis

BOSTON — America is a country rich in people of accomplishment and character. It dominates the Nobel prizes in science. It has great artists and writers and doctors and creative business leaders.

And for the highest political office in the land, it is apparently going to offer its citizens a choice between Bill Clinton and Bob Dole.

What has gone wrong with the American political system that it gives such a choice? That is the question left by Colin Powell's decision not to run for president.

President Clinton and Senator Dole are able politicians. But they exemplify the quality that makes so many Americans cynical about politics: the lack of principle, the willingness to abandon almost any position in order to win favor from the group or that.

In the brief flowering of General Powell's possible candidacy, he made a good many people hope for something better. That is why there was such extraordinary disappointment at his negative decision: a feeling that seemed as much personal as political.

Professor Henry Louis Gates Jr. of Harvard, who did a notable piece for *The New Yorker* on General Powell two months ago, summed up the nation's reaction this way: "Now I know we expect

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Polite Burglars

PARIS — A burglary was committed at the house of M. Génin, a photographer. During his absence, two burglars got into his house by means of skeleton keys. They damaged none of the furniture, disarranged none of the drawers, but simply took 2,000fr. in money and 1,000fr. worth of jewelry. While they worked, a butcher's boy with hair neatly brushed and attired in his best suit came to have his photograph taken. "Really sir," the burglar told him, "I am extremely sorry, but it is a holiday. If you will step round another day, I shall be delighted." The boy left and the burglars concluded. So well did they ape the manners of men of the world that they passed the concierge safely.

1920: Wilson's Health

WASHINGTON — President Wilson is preparing a short Message to Congress. His health is

improving so much that he may deliver his address personally. The President walks from his wheelchair to his automobile with a cane. He receives no callers on official business, all Executive work being handled by his secretary.

1945: Nuremberg Trial

NUREMBERG — Nazidom and all it stood for in aggression and persecution was brought to trial today (Nov. 20), in the persons of the twenty highest leaders of the Third Reich whom the Allied powers assembled. The first in history was opened by Lord Justice Sir Geoffrey Lawrence, who announced that it will be "unique in the history of the jurisprudence" and "of supreme importance to millions of people."

With Adolf Hitler unable to be found and believed dead, Hermann Goering, for years Germany's No. 2 Nazi, was the chief figure in the defendants' box.

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OPINION/LETTERS

The U.S. Starts to Question The Gambling Wave

By William Safire

WASHINGTON — The public's gorge has begun to rise at the morally corrupting spread of gambling in America.

Connecticut's Senate firmly rejected the bid by a phony American Indian tribe to extend its glitzy casino empire beyond the confines of its "reservation." And in referendums from Massachusetts to Washington state, voters have turned down the get-rich-quick schemes of the gambling lobby.

In the nation's capital, the movement to stop state-sponsored gambling has put forward legislation creating a bipartisan commission to study the wave of gambling. If local voters knew the experience of other cities gullied by gamblers into dreams of painless taxation, the immoral wave might recede.

President Bill Clinton is on board. "Too often, public officials view gambling as a quick and easy way to raise revenues," he wrote to the gambling opponents in Congress, "without focusing on gambling's hidden social, economic and political costs."

Senator Bob Dole also "supports the national commission approach." The Alaska senator who heads the Government Affairs Committee, Ted Stevens, promises that the gambling commission idea will pass Congress, while a commission bill is moving through the House.

Though they cannot stop the momentum toward a national study, casino operators have been trying to gut the bill, using Indians who have benefited from gambling as a front.

To block examination of gambling's corruption and political payoffs, they began with Representative Sonny Bono, who has about 500 members of the Agua Caliente tribe voting in his Palm Springs, California, district.

Mr. Bono passed along amendments that would stop the commission from looking into any illegal gambling or the computerized type that hooks teenagers. The gamblers also wanted to deny "an assessment of the impact of pathological or problem gambling" — which wrecks families and ruins lives.

A Bono amendment especially important to the crapshooting crowd (represented by a Nevada lobbyist and former Republican national chairman, Frank Fahrenkopf) would have deleted the provision "to make an assessment and review of the political contributions and influence of gambling businesses and promoters on the development of public policy regulating gambling."

But then a sand-roots Traditional Values Coalition in Mr. Bono's district attracted the attention of The Desert Sun newspaper. Suddenly the congressman abandoned the casino interests and withdrew all his amendments. Morality discovered its muscle.

What's going on here is organized gambling's attempt to manipulate politicians into pulling the teeth of any investigation. The casino operators used the same technique 20 years ago, when they staffed with palsies a Senate study



By A.L. in The Sun (Baltimore). CAW Syndicate.

of national policy toward gambling, and afterward rewarded the director with a consultancy.

Thwarted by Mr. Bono's changed stance, gambling interests took the offensive on another front. Senator Richard H. Bryan, from the gambling haven of Nebraska,

slipped a provision in a telecommunications bill to remove restrictions on gambling advertising — thereby helping sell this addition, surely as bad as booze or tobacco, to children. ("Come to the riverboat, kids — win a fortune!")

But the National Coalition

Against Legalized Gambling blew the whistle on the sleazy Bryan amendment, and a backlash arose.

The gamblers own more than a few politicians, and their Indian front has often subdued liberals. But the gorge rises and the tide turns.

The New York Times.

To Be Young and Eager And Longing for the Fab 4-

By Frank Rich

NEW YORK — The first concert the Beatles played in the United States was at the Washington Coliseum in February 1964, just a few nights after the country dropped everything to watch them on "The Ed Sullivan Show." The only kid my friends and I knew who had a ticket was a girl whose father owned a car dealership. The rest of us were literally out in the cold — in front of the Shoreham Hotel, actually, where the Beatles were said to be arriving by late afternoon.

We had rushed there after school on the Connecticut Avenue bus. It was hard to know what propelled us. Yes, we had been listening to "Meet the Beatles" night and day during the three weeks since it first appeared in the racks at Super Music

friends down to the Shoreham on that freezing February afternoon, and what kept a generation riveted to the Beatles until they broke up in 1970, just as we entered adulthood.

What yanked us down Connecticut Avenue, I think in retrospect, was an instinct that the Beatles were avatars of some change in our lives that we couldn't define but knew was on the way. In part, this was an accident of the Beatles' timing: Kennedy had been shot just a few months earlier, and if a president's corpse could be carried through the benign downtown where we bought records and saw James Bond movies, anything was up for grabs.

Having been handed a historical moment, however, the Beatles then ran with it — becoming inseparable from the revolutions, not all of them for the better, in culture, politics, sex and fashion soon to come. The immediate fallout of their invasion — inane confrontations with our high school principal over the new, Beatles-inspired length of our hair — would eventually give way to the graver battles of what became the Vietnam decade.

As the '60s darkened along with the war, the Beatles' music did, too, unseasonably in sync with history as it unfolded. Hearing the songs out of that context decades later — "Revolution" in a Nike commercial, for instance — is another experience entirely. The Beatles' songs hold up in a way that agitates political art, whether of the '60s or any era, does not. But as their canon transcends its time, it is also of its time. If the Beatles had not expressed the '60s so articulately, all their music would sound as innocuous as "Love Me Do."

Instead, they did as much as anyone to create the counterculture that half the politicians in the country are still running against, as they purport to take us back to that pre-Beatles culture in which father knew best and listened to Lawrence Welk.

Such efforts to regulate culture are doomed to failure, now as then. When artists have the talent the Beatles did, they can easily circumvent the words of any politician.

That's the power that drew me to previously well-behaved friends and me to scream like maniacs on that cold day in February, though even we had yet to imagine it was our power to move the world.

The New York Times.

LETTERS TO THE EDITOR

A Mouthful of English Mush

Mikie Kiyoi strikes one of our favorite chords in her article "Dear English Speakers: Please Drop the Dialects" (Opinion, Nov. 3). As Americans living abroad, we are regularly embarrassed at the unthinking speech of many whose native language is ostensibly English. It is our good fortune to have absorbed as infants the language that became dominant in science, business and entertainment. Can we not show a bit of consideration for those millions who had to learn this odd, difficult tongue artificially?

We shan't nor do we desire to accommodate Ms. Kiyoi's implicit request that we all emulate the mellifluous tones of George Bernard Shaw's Henry Higgins. One of the delightful but intimidating features of this emerging world language is its adaptability. A plea for a single standard is surely in vain. But when speaking with persons of other linguistic heritages, the least we natives can do, whatever our individual accents or dialects, is to speak clearly, in complete sentences, without grotesque verbalized pauses (e.g., "like," "y'know," "the acne of English"). We should be considerate enough to speak slowly and clearly.

Like y'know, uh, 'emry 'iggins? Perhaps not. But maybe CNN's Bernard Shaw?

RICHARD J. HOFFERBERT
ROSEMARIE B. HOFFERBERT
Wassenaar, Netherlands.

Congratulations to Ms. Kiyoi for her eloquence and tact. It would also advance the cause of civility if fewer native English speakers viewed their unlearned linguistic advantage as a source of moral superiority.

MARTHA DEWITT
Geneva.

Changing Styles for India

I was surprised that the term "low castes" was used in reporting the dissolution of the state assembly in Uttar Pradesh ("New Delhi Dissolves an Assembly," Oct. 30). Indians properly don't classify people any more by low and high castes, any more than educated Americans use an epithet to refer to blacks. If it is absolutely essential, you can refer to representatives of the Dalit community or some similar term.

V. PHILOMIN RAJ
Hradec Kralove, Czech Republic.

BOOKS

THE DRAMATIC VISION OF AUGUST WILSON

By Sandra G. Shannon. 254 pages. \$27.95. Howard University Press.

Reviewed by Jabari Asim

AMONG accomplished playwrights, achieving a certain musicality of language is a virtually timeless practice. Shakespeare had his iambic melodies, and the contemporary standard David Mamet can weave staccato vulgarities into hypnotic rhythms. One might argue, though, that August Wilson stands alone in his mastery of the blues.

Amiri Baraka and Ntozake Shange, among others, have structured scripts in the manner of jazz solos. Wilson's style, however, was born and bred in the Delta. Whereas Baraka's song is an angry saxophone blast, Wilson's tune is a 12-string lament, strummed with stunning skill by a troubadour-scarred hand.

Wilson's blues aesthetic hums in his characters' every gesture, jest and declaration, every stutter, whistle and I-told-you-so. The playwright honed his trademark patter in the bar-

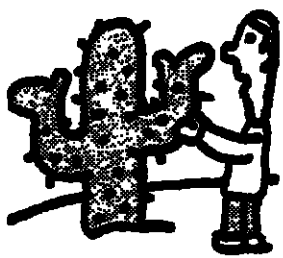
rooms, tobacco houses and diners of his Pittsburgh boyhood. Faithfully rendered in plays such as "The Piano Lesson" and "Ma Rainey's Black Bottom," Wilson's "blues speak" has earned him fame, fortune and two Pulitzer Prizes. Although he appeared to burst onto Broadway in one sudden leap, his ascension was actually far more gradual. As Sandra G. Shannon demonstrates in "The Dramatic Vision of August Wilson," genius seldom springs forth in full bloom.

Shannon examines early, relatively obscure Wilson scripts and finds them lacking. About "The Coldest Day of the Year," written in 1976, Shannon describes it as burdened by "stilted, figurative dialogue" and "obscure and convoluted" lines. Wilson was aware of his shortcomings. Recalling his first effort, Wilson said, "I tried to write a play but it was disastrous. I couldn't write dialogue."

For Wilson, a significant transformation took place when he moved — initially to revise a play, then permanently — from Pittsburgh to St. Paul, Minnesota, in 1978. Away from the people he knew and loved, he began to write down their language to

WHAT THEY'RE READING

• Elodie Bouchez, who won a César film award in 1993 for her role in "Les Roseaux sauvages" (Wild Reeds), is reading the French version of "Legends of the Fall" by Jim Harrison.



(Miranda Haines, IHT)

preserve his memories of them. His dialogue began to grow from recollections of actual conversations. Shannon also views the move as fortuitous. Wilson, she writes, learned to listen. "Rather than force manufactured dialogue into his characters' mouths, he allowed them to assume a life of their own."

It is important to note here that Shannon discusses the early work primarily to trace Wilson's rise to the lofty status he now occupies. The majority of her text addresses the first six plays in Wilson's projected 10-play cycle. Wilson plans to write a play for each decade of the 20th century. He seized on the idea

when he realized the first three of his major works — "Ma Rainey's Black Bottom," "Joe Turner's Come and Gone" and "Fences" — were each set in a different decade. Those three preceded "Fences," "The Piano Lesson" and "Two Trains Running."

Interestingly, Wilson professes little concern for period accuracy or detail, an odd attribute indeed for an artist who aims to write about history. According to the author, Wilson contends that artistic license outweighs such concerns. Shannon, a professor of African-American literature and criticism at Howard University, lays it on a little too thick for comfort here. She rightly points out that many artists, including Shakespeare, have manipulated facts to suit their visions. At times, however, she sounds less like a critic and more like an awe-struck fan.

Shannon regains critical distance quickly, though, and seems to know just when to steer attention away from Wilson's personal life and back to his work itself. Moreover, when discussing Wilson's life, Shannon admirably avoids the psycho-biographical approach.

She also points out, quite succinctly, Wilson's inability to write female characters that match his male creations in substance and dimension.

Finally, she argues convincingly that Wilson's world is peopled by African-Americans who devote their energy — their very souls — to facing down their individual and collective pasts, instead of raging against or whining about all-powerful white America. Wilson's characters may sing the blues, but their "lyrics" ultimately describe a journey toward self-knowledge, not self-loathing.

Jabari Asim's, whose play "Peace Dog" is included in the forthcoming anthology, "Souffles: Young Black Men on Love and Violence," wrote this for The Washington Post.

CHESS

By Robert Byrne

BORIS Gulko beat Victor Korchnoi in the elite Credit Suisse Masters tournament, in Horgen, Switzerland. This victory was an interesting amalgamation of strategy and tactics, although it ended prematurely on a blunder.

The variation of the English Opening with 7...Bc3 8 bc4 is distinguished by Black's giving up the bishop pair to saddle White with doubled c pawns. While these pawns are not vulnerable, they are unwieldy and make it difficult for White to take the initiative.

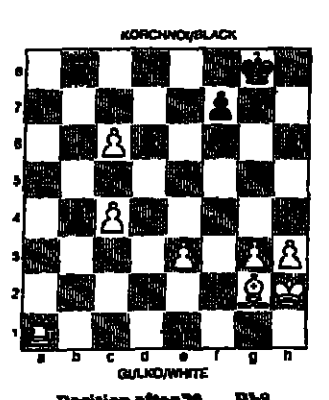
Black's 8...e4 prevents 9 e4, establishing a strong white center.

Maybe the preventive 9...h6 was right; after the alternative, 9...d6 10 Bg5 ed 11 ed, the diagonal of the white king bishop became open and Gulko achieved a slight advantage.

After 16 Rac1 - perhaps the precautionary 16 e4 should have been considered - Gulko was preparing to attack with g4 and f4. So Korchnoi diverted him with 16...b5, opening a front on the queen's flank. With

20 a5, however, Gulko established a passed pawn.

On 23 Rf1, Korchnoi should have played 23...Rb5 24 Rc7 Ra5 25 Ra5 Qa5 26 Rb7



Position after 26...Rb8

Bb5 27 Ra7 Ba6 when the situation is unclear.

After 24...c5 25 dc, it would have been questionable to recapture with 25...Bc6 because 26 Bc6 Rc6 27 Rb4 Rb4 28 Qb4 Nd5 29 Qe4 Ne3 30 Qe3 yields White a pawn. But in this line Korchnoi might have been able to play 28...Qd3 29 Qb8 Kh7 because 30 Qb7 can be answered by 30...Rc2!, threatening 31...Qc3. And then, on 31

Bb6, he would have had at his disposal 31...Ne4, threatening 32...Qg3!

Instead, he played 25...Bc6, perhaps overlooking Gulko's clever 26 Bb6! Korchnoi could not capture with 26...Rb6 ab Qa1 because 28 b7 Rb8 29 c7 wins for White. Thus, he captured with 26...Bc4 27 dc Rb6 28 ab Qb6, but after 29 Qe3! Qc3 30 fe, Korchnoi had to lose a pawn.

In was necessary for him to play 30...Ne8 31 Ra7 Rc7 32 Rb7 Kf8 33 Rb4 Ke7, although Gulko would still have had a winning endgame. But Korchnoi blundered with 30...Rb7 and gave up after 31 c7! without going on with 31...Rc8 32 Ra8, which forces the passed pawn's promotion.

ENGLISH OPENING		Black		White	
White	Black	White	Black	White	Black
1 e4	e5	2 Nf3	Nf6	3 Bc4	Bc3
4 d4	d6	5 Bg5	ed	6 ed	ed
7 Bc3	Bc3	8 bc4	Bc3	9 Bc4	Bc3
10 Bg5	ed	11 ed	ed	12 ed	ed
13 ed	ed	14 ed	ed	15 ed	ed

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INTERNATIONAL

Japan's Petty Apartheid

Discrimination Dogs Asian Foreigners

By Hilary E. MacGregor
Los Angeles Times

TOKYO — In his search for an apartment, every day was the same for Yoyok Ikhsan, an Indonesian exchange student in Japan.

Before he could get his head through the door of a real estate office, the agent would rise and say the dreaded words: "Gaijin wa dame." No foreigners here. Finally his school found a place that would take him — a bathless, cockroach-infested small room. Gratefully, he moved in.

Life in Japan for Asian foreigners is difficult. Many real estate agents refuse to rent to them, companies are reluctant to hire them for career-track positions and many say they must put up with the contempt of their Japanese peers.

Because almost all social rights and benefits are based on Japanese citizenship, even the law often fails to accommodate foreigners.

For example, although it is virtually impossible to become a naturalized Japanese citizen, all foreign workers have money taken out of their monthly salary for national retirement funds. In the event of a building fire or natural disaster such as January's devastating earthquake in Kobe, Japanese are granted emergency funds and accommodation, but foreigners are not.

Furthermore, many official transactions, from obtaining a visa to renting an apartment, require a Japanese guarantor who agrees to take full responsibility for any problems that occur. In a country where making friends is hard and building trust takes years, many Asians say they spend weeks, even months, trying to find guarantors.

The attitude toward Asia has definitely changed in the last few years, says Naoko Yoshida, a volunteer for the group Friends of Thai Women. "But that change in attitude still hasn't filtered down to the level of individuals. There's still incredible discrimination."

With Japan's transformation into an international economic superpower over the last two decades, growing numbers of Asians have flocked to the country. Under an initiative of a former prime minister, Yasuhiro Nakasone, to get 100,000 Asian exchange students a year to Japan by the year 2000, the number of Asian students has ballooned from 5,000 in 1975 to close to 50,000 today. A million more Asian foreigners fill Japan's factory assembly lines.

Now, although the lure of an ever-stronger yen continues to attract ambitious laborers

from throughout the region, word is filtering back that Japan may not be all it's cracked up to be.

The greatest dissatisfaction comes not from the laborers, who are willing to put up with problems to send fat envelopes of yen home, but from exchange students.

Last year, the growth in the number of exchange students dropped off for the first time.

It is the reactions of these students, who could become the region's future prime ministers and corporate leaders, that may hurt Japan in the long run.

Satoru Suhara — a Japanese man who has counseled students at the Asian Cultural Association for two decades and is contacted by more than 6,000 students a year — says the young Asians come to Japan with high hopes but often leave with negative feelings.

Free of personal memories of Japanese colonialization in the region more than half a century ago, this generation offered Japan a chance to demonstrate that its past attitudes of cultural and racial superiority have changed. Mr. Suhara says. But now, as growing numbers return to their home countries with fresh tales of discrimination, their feelings reinforce rather than overcome bitter World War II memories, he adds.

"We aren't trusted by Asian countries," Mr. Suhara says. "No matter how many pretty things Japan says about relations with Asia, we continue to wound the hearts of the young."

Take Mr. Ikhsan: He was sent to Japan eight years ago as part of an Indonesian government program to train engineers for the country's space program.

Although in Indonesia it is often said that the three years of Japanese occupation during World War II were as bad as the previous 350 years of colonization, he says he is young, so that meant nothing to him.

"But," he adds, "since I have been here I see how the Japanese prey on the weak and I understand that dark part of the Japanese character. It makes me scared of a Japan that would take a stronger leadership role in Asia."

Kim Hal Han, 27, came from Seoul a year ago and runs a Korean grocery. "Japanese don't like Koreans," she says in broken Japanese. "I don't understand the hearts of Japanese."

But when asked why she came to Japan and if she will stay, she grabs a pen and writes a huge yen sign, then grins. She says she will stay until she is 40 and rich.

Bosnian Muslim Leader Struggles With a Dream

By Roger Cohen
New York Times Service

DAYTON, Ohio — Twice before, President Alija Izetbegovic of Bosnia has signed agreements about the division of his country only to fight on for the unitary state of which he dreams. On Monday, after 43 months of conflict, he faced the same agonizing choice between an imperfect peace and an uphill war.

The American-brokered peace plan falls far short of the "liberation" of Bosnia of which he has often spoken. It involves a de facto division of Bosnia with almost half the country going to the Serbs and the deployment of about 60,000 NATO soldiers along the dividing line.

In effect, despite the proposed establishment of central government institutions and assurances from the United States that it will defend the unity of Bosnia, the risk is real for Mr. Izetbegovic that he would be remembered as the man who ultimately signed away the state for which he has long fought.

Officials close to the negotiations described a man who has agonized in recent days over the possibility of peace,

something Mr. Izetbegovic would never do.

But this U.S. approach reinforced divisions within the Bosnian delegation, establishing strains that made a decision difficult and could make Bosnia unstable in the months to come.

"The Americans have tried to use Silajdzic because they see him as the guy who can make these negotiations work," Muhamed Sacirbey, who resigned as Bosnia's foreign minister on Saturday, said. "Silajdzic wants to claim all the credit he can. But the fact is that Izetbegovic is the one who would take the blame if any peace settlement is seen as a bad one at home."

Bosnia has never known a day of peace since it gained independence in April 1992, and the remarkable struggle of Bosnia's Muslims has consolidated Mr. Izetbegovic's hold on power. Peace in turn could eventually lead to questioning of his rule.

There are many elite units of the Bosnian Army made up of refugees who have been motivated in the war mainly by the dream of recapturing the towns from which they were chased in 1992. Under a settlement, they would have to abandon that struggle and leave such

places as Prijedor, Banja Luka and Zvornik in Serbian hands. Their frustration could lead to instability in Bosnia.

Although the Clinton administration has made it clear that it expected indicted war criminals to be tried, Mr. Izetbegovic could face an outcry if he appears not to have a cast-iron guarantee that the leaders of the Serbs who have hunted and killed Muslim civilians in repeated acts of barbarity will face punishment.

Mr. Izetbegovic, who was twice imprisoned in Communist Yugoslavia for leading Muslim movements, has wrestled with such difficulties before.

He was always torn between his desire for a centralized Bosnian state governed from Sarajevo and the grudging awareness that he does not have the military force or the support to attain that goal.

On March 18, 1992, three weeks before war broke out, he signed an agreement in Lisbon on the division of Bosnia into three cantons — one Croatian, one Serbian, one Muslim — only to renege on it on his return to Sarajevo. If the accord had held, it is conceivable that war might have been avoided.

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BALKANS:

Talks Stagger On

Continued from Page 1

under a collective presidency, would be responsible for foreign affairs and little else.

The Bosnian Serbs would retain control of Srebrenica and Zepa, two Muslim enclaves they seized earlier this year.

The Muslims would keep the enclave of Gorazde. A road corridor linking Gorazde to Sarajevo would be maintained. The new Bosnian union would have separate military forces controlled by Serbs on one side and the Muslim-Croat coalition on the other. There would be two police forces.

Officials said central Sarajevo and some surrounding territory would be placed under the federation, but other districts would be controlled by Bosnian Serbs. They would also retain nearby Pale, their provisional capital.

Bosnian Serbs were said to have agreed to a constitution that would ban secession from the future Bosnian state.

Croatia would cede a narrow strip of land on the Bay of Kotar, giving the Bosnian Serbs access to the Adriatic Sea. The Serbs in turn would give up territory around Dubrovnik.

A demilitarized zone four kilometers (2.5 miles) wide would be established between the warring parties. It would be patrolled by a NATO force of about 60,000 troops.



Slavonian Croatian women knitting Monday in a street of Osijek, near the Serbian-held part of Croatia.

ALBANIA: Latest U.S. Outpost Suddenly Finds Itself Part of a Grand Balkan Strategy

Continued from Page 1

the center would become the first military facility to be used by the United States in a post-Communist country.

U.S. spy planes from the Defense Department and the CIA have used Albanian bases free of charge since early 1994 for reconnaissance missions over the former Yugoslavia.

An American Coast Guard captain helped draft Albania's maritime law. Defense Mapping Agency experts are sketching its seas.

In short, the relationship, which this year has included nine joint military exercises and 250 other events, such as seminars and trips for Albanian officers to the United States, has all the trappings of a military love affair. U.S. officers speak of being hit by the "Albanian syndrome" — what one senior officer described as "a real intense desire to find a way to help these guys."

The reason the United States

has adopted this small country of 3.3 million people as a penitence brother involves the key place Albania occupies in one of the world's most hazardous regions: the Balkans. With Greece to the south, the remnant Yugoslav federation of Serbia and Montenegro to the north, newly independent Macedonia to the east and the Adriatic and Ionian seas to the west, Albania has been damned by geography to possess a strategic value far outweighing its population and paltry economy, in which the average salary is only \$60 a month.

Albania's status as the homeland of ethnic Albanians has also granted this small state special importance in an area where ethnic tensions already have erupted in Croatia and Bosnia. The Balkans' 9 million Albanians are the region's second-largest ethnic group after the Serbs, and Albanians make up the majority of the population of Kosovo in Yugoslavia.

Touting facilities in his country as "less risky and less expensive" than those in nearby Croatia and Italy, the Albanian president, Sali Berisha, welcomed U.S. or NATO use of any Albanian military base in the event of a peace deal in Bosnia and Croatia.

"The Balkans are blazing. These flames should be extinguished, and the only way is NATO presence," the president said in an interview. "We welcome the Americans. They are the key to our stability."

On a visit to inspect a joint exercise of Albanian and American troops in mid-October, General John M. Shalikashvili, chairman of the Joint Chiefs of Staff, reminded Albanians that the American interest in the fate of Albania dated back to President Woodrow Wilson, who intervened at the end of World War I to keep European powers from dividing it up.

"How thrilled he would be if he could visit Albania today to see that dream come alive and

to see young American soldiers, side by side with their Albanian comrades, building a future of trust, friendship and partnership between our two countries," General Shalikashvili told Albania's top military brass. U.S. officials say a stable and pro-Western Albania is critical to the emerging U.S. policy in the Balkans because it increases the chances of a peaceful solution to the search for minority rights for the 2 million Albanians in Yugoslavia and those in neighboring Macedonia, where they make up 23 percent of the population. In addition, with Albania firmly in the Western camp, this small country can anchor a network of security that officials in Washington say is designed to deter Serbian-led Yugoslavia from further aggressive adventures.

But if the theory is relatively clear-cut, the reality of U.S. engagement in Albania is a little less so.

With a military budget of on-

ly \$53 million a year, Albania has the poorest army in Europe. Many of its conscripts, even the color guard around the Defense Ministry in Tirana, have holes in their boots. And the army still does not issue them socks, leaving them to make do with rags to keep their feet warm in the brutal Albanian winters.

Faced with such poverty, a debate has arisen in the army between those who want to copy the expensive military structure of the United States and those who back a less conventional, cheaper force modeled more on Albania's experience during World War II.

One argument in favor of the U.S. model is that it would be a good way for the army to overcome the legacy of almost 50 years of the paranoid dictatorship of Enver Hoxha.

"We need to be brainwashed again," said Major General Adem Copani, defense adviser to Mr. Berisha. "We must forget everything we learned in the past and move on."

of Wales would hurt democratic change."

She added, "Even if Kwasniewski makes mistakes, which he will because he's human, he'll be watched so closely that he won't be able to do much."

The narrow defeat, humiliating for a man whose trade union once commanded the support of 10 million Poles, came at the hands of a skilled, youthful challenger with a keen appreciation for the dangers of political isolation.

Mr. Kwasniewski, 41, is a former Communist Party member who took the regime's demise in 1989 as a serious lesson. During the years that Mr. Walesa was in the presidential palace here, Mr. Kwasniewski was building coalitions, crisscrossing the country and listening to millions of voters, who found chinks, but assuredly not deadly cracks, in the golden promise of democracy.

Mr. Kwasniewski, one of the youngest and most moderate ministers in the old regime, emerged as a leader of those willing to work toward reconfiguring the old party.

Diana Doesn't Want Divorce

Continued from Page 1

LONDON — Diana, Princess of Wales, acknowledged in an interview broadcast Monday that she had been unfaithful to her husband, Prince Charles.

Asked about her relationship with James Hewitt, Diana told BBC television's "Panorama" program: "Yes, I adored him. Yes, I was in love with him."

It was the first time that Diana, 34, who separated from her husband in 1992, had publicly admitted to adultery.

She added that she did not want a divorce from her estranged husband but said she was waiting for him to decide.

"I don't want a divorce but obviously we need clarity on a situation that has been of enormous discussion," Diana said. She said she was devastated when Mr. Hewitt, a former cav-

alry officer, published a book about their relationship but that his version of events was not entirely factual.

"There was a lot of fantasy in that book and it was very distressing for me that a friend of mine who I had trusted had made money out of me," Diana said.

Charles, heir to the British throne, confessed to an affair with a longtime friend, Camilla Parker-Bowles, when he gave a similar television interview last year.

Diana said she "desperately" wanted her marriage with Charles to work, in part because of the painful separation of her own parents.

"I desperately wanted it to work. I desperately loved my husband and I wanted to share everything with him, and I thought we were a very good

team," she said. The princess said the biggest problem she had was intense media coverage, and eventually came to see herself as a product.

"The higher the media place you, the bigger the drop," she said.

In an extraordinarily candid conversation with Martin Bashir, the interviewer, Diana admitted that she had "escaped" into a bulimia and a long cycle of bingeing and vomiting.

"It was a symptom of what was going on in my marriage," she said.

"I was crying for help, but I was giving the wrong signals."

She said she had sought help for bulimia, but had never asked for assistance from another member of the royal family. (Reuters, AP)

BUDGET: Clinton's Foes Elated as Standoff Ends

Continued from Page 1

governors meeting in New Hampshire: "You could tell who won. We were the happy ones."

Republicans were clearly elated by what they saw as the president's central concession: accepting as a clear policy goal balancing the budget in seven years, something he has only intermittently embraced in the past. Generally saying he preferred to balance it in 9 or 10 years. What the president described as flexibility, the Republicans described as an irrevocable pledge.

The Republicans also preserved their right to use the economic assumptions of the Congressional Budget Office in calculating the cuts needed to reach a balanced budget. To satisfy the White House, they pledged to update such calculations after consulting with the White House's Office of Management and Budget. The dif-

ferences between the two sets of estimates, while tiny in economic terms, have huge revenue consequences.

For their part, the Republicans agreed to the White House's suggestion to append a list of programs that must be protected for any seven-year budget to be acceptable. Indeed, they added a number of items to the list, which ultimately stated that such a budget must protect future generations, insure Medicare solvency, reform welfare, and provide adequate funding for Medicaid, education, agriculture, national defense, veterans and the environment.

It also said such a budget "shall adopt tax policies to help working families and to stimulate future economic growth."

Even as they hailed the agreement, both sides cautioned that success was not assured in negotiations still to come over taxes, Medicare, education, the environment and other issues of

substantial dispute.

Without a resolution of those talks, nothing would stop an other partial shutdown, said the White House spokesman, Michael McCurry. It is possible that on Dec. 15, he said, "we'll be right back where we were."

Mr. Gingrich, leader of the Republican drive to eliminate federal deficits, indicated Monday that he would be willing to bargain. He said Republicans would have to cut back somewhat on their proposed \$245 billion tax cut and agree to provide more money for education and protecting the environment, as demanded by the Democratic president.

"We would like to spend more money on both those purposes," Mr. Gingrich told CBS News. "I would not be surprised to see in the negotiations that there's some additional money. I don't think it will be anything like the administration wanted, but there will be some additional money."

But Mr. McCurry suggested there would have to be major work done on the Republican's long-term plan. "It's going to take some major surgery now on this budget to fix it to make this budget work for both the Congress and the president," he told CNN.

The crisis had idled 40 percent of the nonmilitary federal work force, shutting national parks, museums and research offices, and stopping other government functions deemed nonessential for public health and safety. Air traffic controllers and prison guards were among workers who had been kept on their jobs.

The deal provides for the furloughed workers to be paid for the time missed, as has happened in previous shutdowns. (Reuters, AP, NYT)

Poles' New Leader Rejected by Church

Reuters

WARSAW — The Roman Catholic Church made clear its distaste for the victorious former Communist candidate, Alexander Kwasniewski, before Poland's election, and on Monday faced the new president with views it termed "neopagan."

The narrow defeat of President Lech Walesa, who brought the Catholic Mass to the Gdansk shipyards during Solidarity's struggle against Soviet-imposed Communism, rule, came as a blow.

"Today, without the interventions of Soviet tanks, in free democratic elections, we are taking on an ex-Communist president for five years. This also meant a low score for the church," Michal Czajkowski, a priest and lecturer at the Catholic Theological Academy here said Monday.

Despite Mr. Kwasniewski's own restraint when talking about the church, many members of his governing alliance party argued that it had too many privileges, too much influence over education, the army and public life.

The church's bitterness toward Mr. Kwasniewski is in turn a legacy of Communist rule before 1989, when it suffered first persecution and then discrimination, capturing the loyalty of millions as a political refuge for opposition views.

The Episcopate, angered by the Democratic Left Alliance's decision at the outset of the election campaign to stall ratification of a Concordat treaty between Poland and the Vatican, made clear early on that believers should turn out against Mr. Kwasniewski but stopped short of backing Mr. Walesa.

VICTOR: Walesa Misgauged a Changed Nation

Continued from Page 1

from the road of reform or democracy," he said. "In 1989, we made our choice."

Mr. Kwasniewski appealed to Mr. Walesa to help him bring Poland toward its goals of joining the European Union and the North Atlantic Treaty Organization.

"Together, we can do much more," he said. "Separately, we're going to waste time."

The shift toward a post-Communist leadership here falls within a pattern of socialist victories in Eastern Europe, but circumstances here defy broad generalizations. Poland's economy is expanding at a yearly rate of 5 percent to 6 percent. Unemployment is falling. The worst period of economic reforms, the most drastic in the region, have passed.

The critical difference here centered on the two men and how they reflect Poland's past and future.

Mr. Walesa, a combative personality, suffered dismal popularity ratings as president. Mr. Kwasniewski built his ca-

reer on compromise and consensus. The election, some political observers said, became a choice of whether Poles wanted another five years of a man who looked better as a distant legend. Initial analysis of results showed that Mr. Walesa had less support than Mr. Kwasniewski among people younger than 50 — people with shorter memories of communism.

"When you talk about the past in Poland, you need to be sure which past you are talking about," said Andrzej Krzystof Wroblewski, editor of the Warsaw-based economics daily Nowa Europa. "For a growing number of Poles, the past was not before 1989. It's the time before 1995. And they were judging what was done during that time."

The choice between the two men compelled one former Solidarity activist, imprisoned during its toughest days, to throw her support behind the former Communist. Barbara Labuda, a member of Parliament, quit the centrist Freedom Union, which backed Mr. Walesa this month, because she said "continuation

of Walesa would hurt democratic change."

She added, "Even if Kwasniewski makes mistakes, which he will because he's human, he'll be watched so closely that he won't be able to do much."

The narrow defeat, humiliating for a man whose trade union once commanded the support of 10 million Poles, came at the hands of a skilled, youthful challenger with a keen appreciation for the dangers of political isolation.

Mr. Kwasniewski, 41, is a former Communist Party member who took the regime's demise in 1989 as a serious lesson. During the years that Mr. Walesa was in the presidential palace here, Mr. Kwasniewski was building coalitions, crisscrossing the country and listening to millions of voters, who found chinks, but assuredly not deadly cracks, in the golden promise of democracy.

Mr. Kwasniewski, one of the youngest and most moderate ministers in the old regime, emerged as a leader of those willing to work toward reconfiguring the old party.

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With a dress



Designer Gabriella Pescucci won an Oscar for her costumes in Martin Scorsese's "The Age of Innocence."

Clothes That Make a Movie

By Ken Shulman

ROME — The den is comfortable, understated, with wide white overstuffed divans and two doors that open onto a small, lushly planted terrace. A series of detached fresco fragments from Pompeii decorate the otherwise somber beige walls.

On the floor, in front of the fireplace, stand three polished fossilized stones that she purchased while working on a film in Morocco. To the left, on a high, hardly prominent shelf, stand her trophies: two Donatello Awards from the Italian motion picture academy; two British Academy of Film and Television Awards, and, virtually hidden from view, the Oscar she won in 1993 for her costumes in Martin Scorsese's "The Age of Innocence."

"I don't believe the proverb that says that clothes don't make the man," says Gabriella Pescucci.

"I believe the contrary, that clothes do make the man. I believe you can tell a lot about a person by the clothes that he chooses to wear. The same way you can understand a person by his home, or by the books he reads."

Pescucci is one of the world's finest and most successful cinema and theatrical costume designers. She fashioned robes for

Maria Callas in Pier Paolo Pasolini's "Medea," frocked Sean Connery in Jean-Jacques Annaud's "The Name of the Rose," and clad Spanish soprano Montserrat Caballé in a production of Bellini's "Norma" at La Scala in Milan.

The nearly 50-year-old designer is dressed in a dark, loose-fitting semitransparent linen pants, an off-white cotton crew-neck jersey and blue, canvas sneakers.

"The hardest part of what I do is gaining the trust of an actor or actress," she says. "The one thing that all actors have in common is their vanity. And in order to overcome this, I have to convince that actor that I can help him enter more fully into his character. I have to gain his confidence. This is far more difficult for me than designing his clothes."

Born in the Tuscan seaside town of Castiglione, Pescucci has had an interest in costumes and fashion since she can remember. The second child of a conservative middle-class family, she left home at 14 to study art at a middle school in Florence, and later went on to that city's Accademia di Belle Arti.

"I've always been fascinated by historical costumes," she says. "I like to steep myself in another time and period, to study the styles and mannerisms."

"I've always said that if I hadn't gone into this line of work, I would have become

an archaeologist. I am irresistibly attracted to the past."

With nothing but her portfolio and her diploma, Pescucci left Florence in the late 1960s and began knocking on doors in Rome. It was a magical time for cinema in the Italian capital, and Pescucci soon found work as an assistant to Piero Tosi on the set of Luchino Visconti's "Death in Venice" and "Ludwig." In 1971, she made her solo debut designing costumes for Charlotte Rampling in an Italian film adaptation of John Ford's drama "Tis Pity She's a Whore." Since then, working at a rate of one or two films a year, Pescucci has collaborated with Federico Fellini ("City of Women"), Sergio Leone ("Once Upon a Time in America"), Terry Gilliam ("The Adventures of Baron Munchausen") and most recently with Roland Joffe in his version of Nathaniel Hawthorne's "The Scarlet Letter."

"I don't enjoy designing for films set in modern times," she says. "If the setting is modern, everyone thinks he knows better than you. The actress wants the miniskirt instead of slacks. The director wants red instead of blue. The director's wife wants yellow instead of red. In a historical film, the costume designer is afforded a bit more respect."

PESCUCCI has always earned her respect on the set. She conducts extensive research, consulting the literature and art of the period she is trying to re-create. She searches for the proper fabrics, scouring cloth factories in Prato, Italy, for the rough, unfinished cloth she used for the tunics in "The Name of the Rose" and flea markets in Paris for the lace worn by Winona Ryder and Michelle Pfeiffer in "The Age of Innocence."

The Oscar for "The Age of Innocence" came as a surprise. Pescucci had already been nominated for the award for "The Adventures of Baron Munchausen." But on her second nomination, Pescucci returned home with the coveted statue.

"I thought that the Oscar would change my life more than it has," she admits with a laugh, confessing that her dream is to collaborate one day with Steven Spielberg, perhaps on a film based on a Tolstoy novel. "I thought I would be submerged with offers for work as soon as I got home."

"Instead, things went on at the same pace as before. Maybe things will really change if I win another one."

Ken Shulman is an American journalist based in Italy.



Pescucci, right, with Maria Callas during filming of Pasolini's "Medea."

Tossed Culture Salad, With Art

By Brigid Grauman

GHENT, Belgium — Every year in October, 164,000 copies of a publication that has the look, length and shape of a book, but with a distinctly magazine format, reaches bookshops and newsstands in the Netherlands and Belgian Flanders. Not the least of what's odd about it is the name, Snoecks. Less unusual, perhaps, are the pouting girls on the cover. A few weeks later, the French-language edition, Scope, is snapped up by readers in France and Wallonia.

Snoecks is a publishing phenomenon. It is the curious offshoot of a highly reputable printing house in Ghent that specializes in art books and exhibition catalogues for such institutions as the National Portrait Gallery in London, the Musée d'Orsay in Paris and the Boymans-Van Beuningen in Rotterdam.

Snoecks is an unbridled mixture of lavishly illustrated stories about books, the visual arts, photography, design, fashion and out-of-the-ordinary places, all of it peppered with pictures of sultry fashion models.

The annual is the brainchild of Serge Snoeck, seventh generation of family printers, who now leaves all the dull administrative bits of the business to his two sons.

He has chosen instead to enjoy what he calls "a fantastic time" traveling, commissioning articles, choosing pictures and meeting people.

The final result doesn't always measure up to his ambitions, but for three decades it has been highly successful.

Behind his smudged glasses, Snoeck père is a cheerful chap who likes nothing better than to be described as an adventurer. He would rather not mention his age, but he's very proud of his memory. He can recite his genealogical tree back to the 16th century. It all really began, though, with two peasant brothers from the Pajottenland — the country that Bruegel painted — who traveled to Ghent in 1730 and, after trying their luck as innkeepers, went in for selling books.

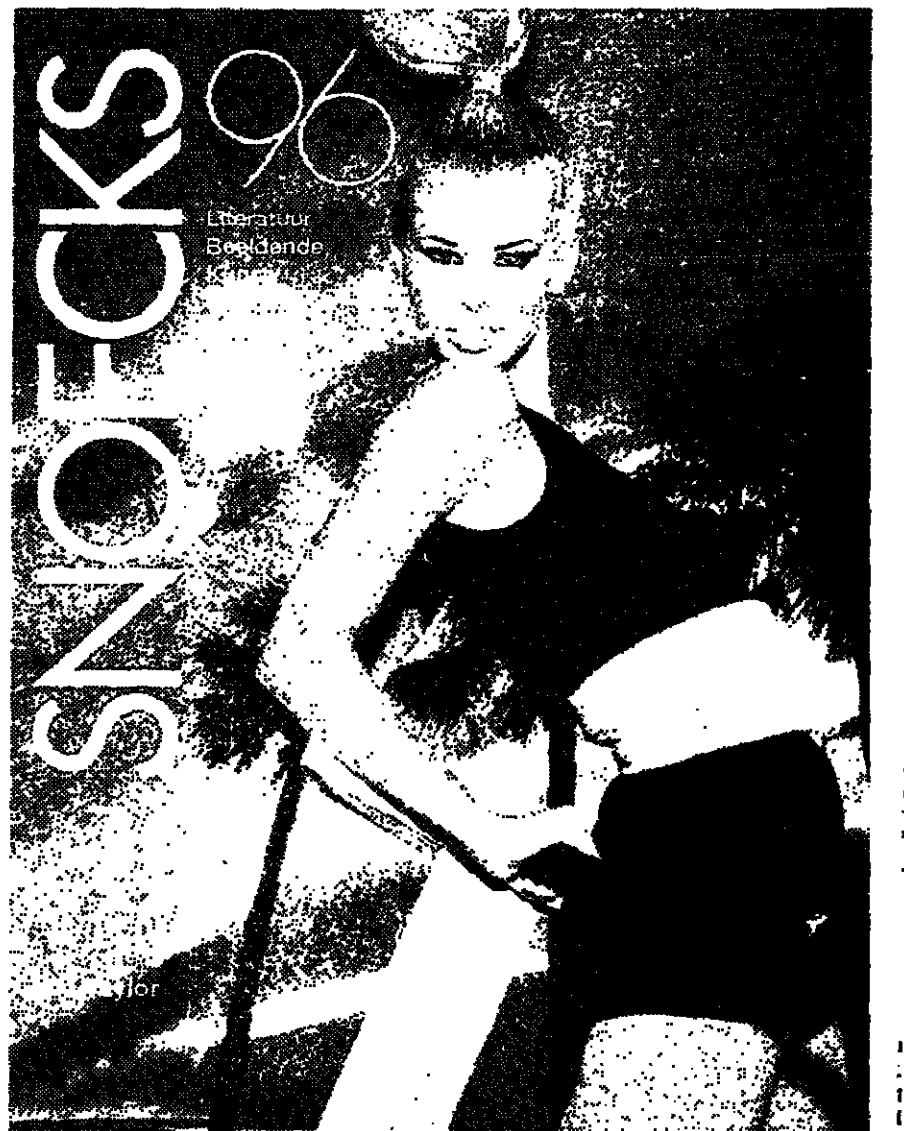
Soon the family owned a printing house that specialized in, among other things, one of those farmers' almanacs that were once indispensable reading.

They still print it today, much enlarged, with the details about the weather, the phases of the moon, fairs and markets, as well as jokes, cartoons, games and recipes. Serge Snoeck inherited the business from his father, Fernand, who had inherited it, reluctantly, when his brother died at the front during World War I. Fernand Snoeck's career was brutally interrupted in 1937, when he died of typhus at the age of 38.

"I was just 14, and an only son," says Serge Snoeck. "My mother could bake great cakes, but she had absolutely no head for business."

"It was my aunt, my father's sister, who came to me and said, 'I don't know anything about printing, but if you promise to take over the company when you're old enough, I'll keep it going until then.' And so I promised."

The latest 594-page volume of Snoecks is typical, with a garish purple, pink and blue cover shot of a model. Inside, it starts off with a list of last year's international literary prizes, followed by three short stories. The rest is a glossily sophisticated mix



The cover of Snoecks — not quite a book, not quite a magazine.

of interviews with John Irving and Amos Oz, portraits of the designer Alessi, architect Jean Nouvel, artist Sandy Skoglund, film director Bertrand Tavernier, actor Anthony Hopkins, and stories about punk rock posters, Calvin Klein and his erotic ads, sumo wrestling, the new rich and poor in Russia, and a whole lot more.

The mix of stories is always the same combination of culture, sex, good photography and hyperrealist drawings. The books have an editor in the Netherlands and an assistant editor in Ghent.

"But I'm the one who pulls the strings," says Snoeck.

DECISIONS are made at a yearly meeting of the editorial board when a long list of story ideas are thinned down to realistic proportions. The stories are all commissioned; the more expensive photographs and illustrations are secondhand.

It was in 1968 that Snoeck's book began to look the way it does today. "I went to Holland," says Serge Snoeck, "because I wanted to break into the Dutch market, and every publisher I met there said the book looked awful, the paper, the fonts, the layout, the writing, the illustrations. One thing you need, they said, is sexy pictures."

He followed their advice, after meeting Gunnar Larsen, a Danish photographer. Larsen lived in a tiny apartment in Paris,

taking photographs of would-be models. "I'd seen one of his pictures in a fashion magazine. It showed a model posing provocatively in the middle of Moscow's Red Square, surrounded by gawking babushkas. I had an article by the wife of the Belgian consul in Moscow that planned to use and I wanted that picture to illustrate it."

He got it cheap, and he and Larsen soon became friends. On his first visit to the crowded flat with pictures in the sink, on the floor, everywhere, Snoeck also spotted the portrait of a Danish hairdresser, Jane Christiansen, who was later to become the wife of John Casablancas, founder of the model agency Elite.

As he flicks fondly through back issues Snoeck reflects on a lifetime of travels adventures and encounters.

He is particularly proud of an insider's story about the Nuremberg trials written by public prosecutor Robert Kempner, and of the article he wrote about the grueling conditions about daily life in Siberia.

But, like many of his readers, he clearly has a special regard for the stylish nude photography by the likes of Helmut Newton, Richard Avedon, Bettina Rheims, Sarr Haskins and David Hamilton.

Brigid Grauman is editor of the Bulletin, an English-language newsweekly in Brussels.

Does Christy Turlington Need a Raise? Models Fight for a Union

By Steven Greenhouse
New York Times Service

NEW YORK — Blonde and statuesque with chiseled cheekbones, Donna Eller does not fit the stereotypical image of a union activist.

But active she is in struggling to build a new labor union, one that Samuel Gompers probably never dreamed of: a union for fashion models.

While many young girls look to modeling careers as a life full of cover-girl photos and Parisian haute couture, Eller, a successful model for 10 years, says models are deprived of many bedrock protections enjoyed by workers in far less glamorous fields.

"During my career, I've come to see there's a lot missing from this profession," Eller, a model with the Wilhelmina agency, said. "The fashion agencies don't provide us with health insurance, dental insurance, pensions, life insurance or workers' compensation."

When the two dozen women spearhead-

ing the unionization drive talk about modeling, they talk not just about the \$1,500-a-day photo sessions but about the 12-hour days, the fly-by-night agencies that turn teenage models toward drugs and prostitution, the photographers who never pay up and the models who are forced to empty their bank accounts because they lack health insurance.

Amie Bongay, a Sierra Leone native and former model who is president of the new union, said: "Behind the glamour, there is really a dark side to this profession. The union is not out so much to make more money for models. Our goal is to protect the models."

For more than a decade, models have talked about unionizing, but in the last three months that dream has taken hold. Since August the union, the Models Guild, has attracted applications from 1,000 models.

Some models doubt that the union will have enough clout anytime soon to bargain with employers. But the guild is already doing what many unions have done in their

infancy — providing health insurance at group rates and offering financial services through a credit union.

Models are debating whether the guild should be merely an association that provides such services or whether it should act like a traditional union that makes demands for employers to pay for health insurance, pensions and workers' compensation and to guarantee breaks during fashion photography.

Photographers and makeup artists are also invited to join. Most members are from New York, but dozens of models in Miami, Los Angeles and Chicago have signed up.

Some members of other unions are amused that fashion models are following in the footsteps of steelworkers and teamsters, viewing the models as a pampered few who are blessed with beauty and have little to complain about. (One thing the models have to contend with is comments like, "Tell me again why you're fighting for Christy Turlington to get a raise.")

Those heading the unionization drive

say that while \$10,000-a-day supermodels like Turlington and Cindy Crawford get the media attention, a typical model earns \$30,000 to \$70,000 a year, has problems affording health insurance and is often preyed upon by unscrupulous photographers and clients.

"I don't think models' concerns are any different from other people's concerns," said Beverly Johnson, a supermodel of a decade ago who is active in the union.

"They are concerned about pensions, health insurance, getting help for drug abuse. A lot of models have relied on their parents as their safety net, but it is a profession and they need a safety net beyond what their parents can provide."

Models like Eller say the union should serve as a voice and a guardian. The union, she says, should warn models about which agencies and photographers to avoid; it should provide affordable bed and breakfasts for models when they travel, and it should counsel models on finances and how to get started in the industry.

"If I were a mother and sending my

daughter to be a model at the age of 16 in New York, Chicago or Los Angeles, I'd be concerned that there is not a structure in place that can provide her with safe housing or a guardian," Eller said. "I'm concerned that there is not the equivalent of a Better Business Bureau in the industry to tell her who is legit."

The union, which charges dues of \$300 a year, has arranged discounts at several bed and breakfasts and started an "800" phone line to give models personal or professional advice.

BONGAY, who has written a guide for models, said the union should start out as an association, but once it has thousands of members, it should start bargaining with agencies and clients. But even the models who want it to be a strong union say they would be much more comfortable walking on a runway than on a picket line.

The unionization talk is taking hold now largely because the models have been adopted by the 130,000-member Office

and Professional Employees' International Union, which has thrown money and manpower behind their organizing drive.

"Their working conditions are no different from those of any other exploited workers. Only that they're more beautiful," said Michael Goodwin, president of the office employees' union.

He gave an example of exploitation: If a journalist covering a fashion show falls and is hurt, he or she is covered by workers' compensation. "But a model who falls at a show is not covered," he said.

Goodwin has embraced the models' cause to add some allure, youth and new members to his union — and to the labor movement in general — at a time when many say labor has grown old and tired.

At the same time, his union is trying to follow the AFL-CIO's new gospel: organize professions that have not been traditionally associated with unionism.

Doing splendidly on their own, supermodels have not been involved in the unionization drive, although Turlington's spokeswoman said she supports the effort.

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Taste



WHEN A LENTIL IS NOT A LENTIL AND OTHER TIPS FROM THE RITZ
An inside look at one of the world's top cooking schools.

Take two famous names — Ritz and Escoffier — add a Paris location and top French chefs, and you've got a recipe for a prestigious cooking school.

The Ritz-Escoffier Ecole de Gastronomie (tel.: 33-1-43 16 31 43; fax: 33-1-43 16 31 50), founded in 1988, caters to both amateurs and professionals. At cooking demonstrations, students watch a chef prepare a full meal — first and main courses and dessert — as he offers a running commentary on what he is doing. During

hands-on classes, the students make the meal themselves, supervised by a chef.

Cooking dinner
At a recent demonstration, Chef Jean-Louis Taillebaud prepared *crème de lentilles au fumet de pintadeau* (cream of lentil soup with guinea hen essence), *fricassée de veau au basilique* (fricassée of veal with basil and vegetables) and two fresh-fruit sorbets, one made with tangerines and the other with clementines.

Even though this is a meal that few people would have the time to make at home, except perhaps for special occasions, the benefit of seeing a skilled chef prepare it is that you pick up invaluable tips that will improve any dish you prepare.

Chef Taillebaud explained how and why he would deviate from a recipe, replacing onions with shallots, for example, in the veal fricassée to provide a more subtle flavor, and using poultry stock instead of beef stock in the cream soup because the stronger taste of the beef stock would overwhelm the more delicate flavor of the guinea hen.

Don't burn yourself!
He also showed the class how to fold a dish towel so you can pick up a heavy pot full of hot food without burning yourself (fold it in half, in half again and then fold it again over your thumb before picking up the pot).

You also learn some obscure facts. You probably think, for instance, that a lentil is a lentil is a lentil.

Wrong! It is a little-known fact that the best lentils come from Le Puy in France's Auvergne. Like wine, they even have an *appellation contrôlée*, which guarantees that they are grown in a specific geographic area under certain conditions.

Chop, stir, sauté
Watching a professional chef in action is also very entertaining as he chops, stirs and sautés with amazing dexterity and style, all the while commenting on what he is doing and telling jokes and anecdotes about his life in the kitchen.

When the class is over, students have the sublime pleasure of tasting the finished product.

The Ritz-Escoffier Ecole de Gastronomie offers three in-depth apprenticeship courses leading to diplomas as well as week-long courses with themes like summer living or specialties and fêtes.

Cooking and pastry-making demonstrations are open to everyone, last two and a half hours and cost 230 francs (\$46). Reservations can be made the same day before noon.

The school has a new formula of short-term courses ranging from one to two days with themes like preparing game or classic French desserts. Upcoming pre-holiday classes include three half-day sessions on Nov. 30 and Dec. 1 and 2, during which students will learn to make foie gras. At the end of the course, they take the delicacy they have prepared home with them in a Ritz terrine.

On Nov. 24, an all-day session covers the making of a copious brunch, including a mushroom soufflé remoulade. Students can invite a friend to partake of the feast at the end of the day. On Dec. 7, an all-day course for parents teaches them how to make cakes and even lollipops for children's parties.

Heidi Ellison

Touch



FLORENTINE CRAFTS LIVE ON
Today's apprentices come from all over the world.

Many Florentine buildings still contain an artisan's workshop (*bottega*), perpetuating a centuries-old local tradition of fine craftsmanship. Today, however, the apprentices of the past have been almost entirely replaced by an international group of students. Some find their way to a workshop by trial and error; many employ the services of "Firenze

nell'Arte," a program sponsored by the Machiavelli School (tel. 055-2396966), which is custom-designed to meet the student's requirements.

Guido Pucci, the program's director, says, "I always talk to a potential student at length in order to place each in the right environment. There are always many interesting projects going on in an artisan workshop, so it is important that the craftsman and the student set up a good relationship so that both can get the most out of the experience."

A timeless scene
The workshop of woodcarver Piero Vannini seems untouched by time. He stands over his work table with his tools, often antique and handmade, designing and making chests of drawers, lamp bases, screens, and mirror and picture frames in both antique and modern styles.

"Initially, I help the student to distinguish among the different types of wood and give instruction on how to use the many tools in a proper manner. I allow them to work on something of their own, since creativity is often the best teacher," he says. One student recently carved a Renaissance-style picture frame under his guidance, and Mr. Vannini then sent him to yet another workshop to learn the secrets of gilding. His wife, Rosanna, explains the techniques of painting decoration when necessary, demonstrating the use of tempera-based pigments.

Another workshop open to

students under the auspices of "Firenze nell'Arte" is "Infinity," run by leather craftsman Enio Provaroni and his American wife Jane Dengler on Borgo Apostoli, near Ponte Vecchio. After a disheartening experience in a leather factory, Australian Judith Szerencsi decided to "approach leatherwork in a new way."

At "Infinity," she immediately started cutting leather by hand for bags, belts and briefcases, finishing the edges with color, to later move on to stitching and the adding of closures and accessories.

She is currently working on design, keeping company with fellow student Koji Ichikawa, who is spending hours perfecting his own leather keyholder-pouch that he may someday market in Japan. "Our job is also to start the artisan on his career," says Mr. Provaroni.

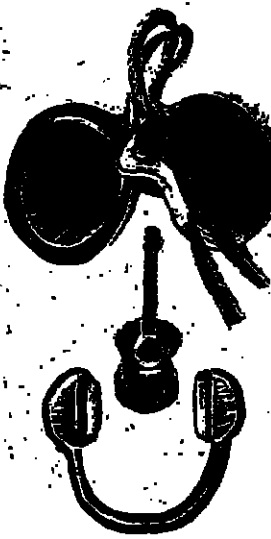
Several Florentine workshops run their own school right on the premises. One is located at "Giulio Giannini e Figlio" (tel. 212621), where Enrico and Guido, the fifth generation of the Giannini family, are occupied in the painstaking tasks of binding books by hand, from the making of marbled paper to lining the inside front and back covers to the decoration of the leather with elaborate designs.

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The ornamentation is achieved by heating one of a splendid collection of 500 small wheeled instruments and bronze punches, handmade by some of the world's best engravers in the 17th and 18th centuries, and pressing down on thin gold leaf. The technique is one that can only be transmitted in a direct manner. "Depending on the kind of siz-

zling noise it makes," explains Guido Giannini, "will I instinctively know if the temperature is right. If it is, I can begin gold tooling."

Rosanna Cirigliano

Sound



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The driver picked up the students headed for Ceran at the train station in Spa, Belgium: British students who were coming to learn French, a Frenchwoman who had to brush up her English for her job and an American who hoped to improve her meager Italian.

After unpacking in her comfortable hotel-style room, the American braved the short walk through the frigid winter air to the nearby chateau-school.

At dinner she met one of her professors and the other students in her group — all males: a Belgian university student, and a German and a Dutchman.

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Risks and Rewards in the Brave New World of Health Care

By Robert Pear
New York Times Service

WASHINGTON — The Medicare bill adopted by the House of Representatives would propel elderly people into a new world, full of promise and some peril, where competitive forces are buffeting doctors, hospitals and the rest of the health care industry.

Medicare, financed jointly by the federal government and the states, provides health insurance for the elderly and the disabled. For better or worse, Medicare is catching up with the private health care market. Even if President Bill Clinton vetoes the bill, as he has threatened to do, it signals the

direction in which health policy and the health care system in the United States are already evolving.

The Senate Finance Committee has approved legislation like the bill passed Thursday by the House. What follows is a summary of the bills' likely effects on Medicare patients and various segments of the health care industry:

• **Beneficiaries:** Under the Republican proposal, Medicare beneficiaries could enter a fiercely competitive medical marketplace. Those who join health maintenance organizations would probably have less choice of doctors and hospitals, but they could perhaps obtain coverage for prescription drugs, preventive services, eye-

glasses and other items not now covered by the standard Medicare program.

Healthy Medicare beneficiaries are presumably more likely to enroll in health maintenance organizations, or HMOs. But sick people may also find them attractive because they put a firm limit on the costs for which patients are responsible.

The risk, repeatedly emphasized by Democrats, is that Medicare payments will not keep up with health costs, so the purchasing power of Medicare benefits will be eroded.

• **Doctors:** In the past, when Medicare cut payments to doctors, there was always concern that doctors

would shun Medicare patients in favor of those with private insurance, which paid higher fees for the same services. But the private market has become less lucrative and satisfying for doctors, whose clinical decisions and fees are continually scrutinized by insurance companies and private health plans.

The House and Senate Medicare bills would cut payments for surgery by 10 percent next year as part of an effort to save more than \$22 billion in Medicare spending on doctors' services over seven years. Stephanie Mench, director of health policy at the American Urological Association, said: "Many of our members have no choice but to take Medicare patients."

• **Hospitals:** Some hospitals will probably close if the government cuts projected spending on Medicare and Medicaid, the program for low-income people. Hospitals in rural areas and inner-city neighborhoods are particularly vulnerable because the two programs account for more than half the revenue at many such hospitals.

• **HMOs:** About three million Medicare beneficiaries are in HMOs. The Congressional Budget Office estimates that 8.5 million will be enrolled in 2002 under the Republican proposals. But the plans would impose strict limits on the annual growth in per capita payments to HMOs treating Medicare patients.

AMERICAN TOPICS

Kansas Ranks Last In Vacation Survey

Kansas ranks last of the 50 states as a vacation destination, according to Vacation Places Rated, just published by Fielding Worldwide of Redondo Beach, California. Hawaii ranked first, followed by Alaska and Colorado.

"I think it's very unfair," said Neva Perry of the Kansas state tourist information center. "We have a tremendous amount of history, and there are so many things of interest in Kansas."

Other states ranking near the bottom were North Dakota, Oklahoma, Iowa, Indiana, Nebraska, Ohio, Mississippi, Delaware and Alabama.

Matt Brisch, a spokesman for the state commerce department, said, "People are taking this seriously. And I kind of want to say: Come on, let's not panic here. We're Kansas."

Mr. Brisch said Kansas has one of the smallest state tourism budgets: \$230,000, compared to \$16 million for Hawaii.

Short Takes

More women are entering seafaring at a time when it is declining as a whole. The U.S. merchant marine has fallen from more than 1,000 ships at the end of World War II to about 400 now. Com-

petition is one main reason. But growing numbers of women are earning their stripes in the seven maritime academies from Maine to California. At Kings Point Maritime Academy on Long Island, which graduated its first women in 1978, 21 of this year's 219 graduates were women. This year's freshman class includes 30 women.

Call it Christmas in autumn: Alaskans have been notified that all 542,000 of them — men, women and children — will receive \$990 each this year as their dividend from the Alaska Permanent Fund, a hedge against the time when the state's oil wealth peters out.

Since the first deposit of \$734,000 in oil revenues in 1977, the fund has grown to an \$18 billion portfolio of stocks, bonds and real estate, conservatively invested to protect the principal but still grow to keep pace with inflation.

In a perfect shuffle, the cards in half of a deck held in the left hand are alternated one by one with those in the right. It is far from the perfect way to get cards in random order for a card game, however. Professor Persi Diaconis, a Harvard University statistician, derived a mathematical proof that after eight perfect shuffles, the cards are back in their original order. Fortunately for the average bridge or poker player, a perfect shuffle can be done consistently only by a sleight-of-hand artist.

International Herald Tribune

Captain Cleared of Sexual Harassment

New York Times Service

WASHINGTON — The U.S. Navy's former top equal-opportunity officer, who was named to be an admiral and led his service's effort to fight sexual harassment after the Tailhook scandal, has been acquitted of sexually harassing a woman who worked for him.

The verdict, issued Thursday by an eight-officer navy tribunal, cleared Captain Everett L. Greene, 47, a Naval Academy graduate.

The case of Captain Greene, who is black and whose accuser is white, has

become a lightning rod for critics who contend the navy turned a blind eye to the seriousness of his conduct to advance the goal of promoting more minority officers into senior ranks. Only five of the navy's 220 admirals on active duty are black.

Advocates of women's rights rallied around the case as a test of the navy's new resolve to quell sexual harassment in any form.

The seven-day trial at the Washington Navy Yard hinged on whether Captain Greene, a married father of three, broke navy rules by writing sexually suggestive

poems and cards and giving little presents — such as a bag of chewing gum and an old pair of men's running shorts — to his aide, Lieutenant Mary Felix, who is 28.

He acknowledged writing to Lieutenant Felix over a 10-month period in 1993, during which she answered a sexual harassment hotline at the Bureau of Naval Personnel in a Pentagon annex.

But he insisted that he never did anything wrong and that Lieutenant Felix, who was coping with physical and personal problems, had grossly misconstrued his fatherly concern.

Federal Agency Opens Inquiry Into L.A. Police

Washington Post Service

WASHINGTON — Sparked by charges of police misconduct that surfaced in the O.J. Simpson murder trial, the Justice Department has begun examining the Los Angeles Police Department to determine whether there is a pattern of civil rights abuses by officers in one of the nation's largest law enforcement agencies.

The Justice Department's civil rights division is in the early stages of an investigation that will seek to determine whether alleged abuses by police officers in Los Angeles, including excessive force, is a systemic problem, sources said.

The investigation began after racist comments by a former detective, Mark Fuhrman, and after allegations of fabricated evidence became a focal point of Mr. Simpson's defense.

Black Men's March: Still Counting

Washington Post Service

WASHINGTON — A Boston University scientist has added to the controversy over the turnout at the "Million Man March" in Washington, saying his analysis showed that the crowd was more than twice the 400,000 people estimated by the National Park Service.

A computer-aided study by Farouk el Baz, director of the

school's Center for Remote Sensing and an authority on aerial reconnaissance, concluded that 870,000 people attended the black men's rally Monday.

The study involved computer image analysis of aerial photographs obtained from the Park Service. It has a margin of error of about 25 percent, largely because of the poor quality of the photographs. This means the

crowd could have been as small as 650,000 or as large as 1.1 million, Mr. el Baz said.

A U.S. Park Police spokesman said Thursday that the agency did not have the money for sophisticated computer analysis, but that it stood by its estimate, obtained by examining photographs made from videotape taken from a helicopter three times during the march.

Away From Politics

- After six delays, the space shuttle Columbia and its crew shot into orbit at Cape Canaveral, Florida, on a science mission that will foreshadow life on NASA's planned international space station. (AP)
- Thirty-three guards and an inmate came down with a mysterious ailment at a state prison for serious offenders in Mayo, Florida, and investigators focused on the mail room and a leaking package. (AP)
- Inmates, some with baseball bats, fought with guards, broke windows and set fire to

three prison buildings in Talladega, Alabama, in a riot that started as a quarrel in a prison yard. (AP)

• Mickey Wayne Davidson, the admitted murderer of his wife and two stepdaughters, was executed by lethal injection in Jarratt, Virginia. (Reuters)

• Two Brentwood, Maryland, girls, ages 12 and 14, were in police custody in connection with four armed carjacking incidents in the last few weeks. County police officials said the girls asked elderly women to give them a ride and then threatened the victims — twice with a toy gun and twice with a knife — to force them to turn over their cars. (WP)

POLITICAL NOTES

Senator Clamps Down Yet Again

WASHINGTON — Senator Jesse Helms, chairman of the Senate Foreign Relations Committee, after a brief respite, has again blocked all ambassadorial appointments, saying the Clinton administration has not taken seriously his proposal to reorganize the foreign policy bureaucracy.

Among the nearly 20 nominations that the North Carolina Republican has vowed to block is that of Jim Sasser, the former Democratic senator from Tennessee, as ambassador to China. Mr. Helms will also continue to freeze State Department promotions and block Senate action on more than a dozen treaties.

The administration's reaction was swift. "It's our understanding that the Senate Democrats proposed a strong and genuine effort to reach a compromise settlement with Senator Helms," said Nicholas Burns, the State Department spokesman. "We are disappointed." (NYT)

Clinton Acts Anew on Gay Rights

WASHINGTON — Two years after being politically wounded by the issue of homosexuals in the military, President Bill Clinton has decided to back a bill outlawing job discrimination against homosexuals, according to White House officials.

In a letter sent to Senator Edward M. Kennedy, Democrat of Massachusetts, and a chief sponsor of the anti-discrimination legislation, Mr. Clinton noted that in 41 states it is legal for a person to be dismissed from a job because of sexual orientation.

Gay rights leaders who have been lobbying the White House for Clinton's endorsement of the bill conceded that his backing would have little immediate practical effect, because the Republican Congress is dead against the measure, which would apply to public and private employment. (NYT)

Hollywood Rapped on Drugs

LOS ANGELES — The director of national drug policy criticized Hollywood on Thursday for glorifying drug use in television shows, movies and music marketed to young people.

He urged his audience of about 150 executives of the entertainment industry, at a symposium sponsored by the Screen Actors Guild and other groups, to change things. "We all know the dangers of some of these messages, and I believe that we can all agree that some changes need to be made," said Lee Brown, Mr. Clinton's drug czar. (NYT)

Paying Bills on Time — at Last

WASHINGTON — That time-honored excuse — the check is in the mail — could take on new, legal significance if Congress passes a law being pushed by a talk radio host and three dozen members of the House.

Their proposal would mandate that the date a bill is postmarked is the date it is considered paid. It is a simple idea that has upset a lot of people, including big credit card companies, department stores and the nation's bankers. Bills would have to be properly addressed and have adequate postage to qualify under the bill. Stamps — not postage from meters — would be required. The Postal Service has taken no position on the measure. (WP)

Quote/Unquote

Sir Brian Urquhart, who was a senior United Nations official for more than 40 years before his retirement: "I've always thought the UN's relationship with the city was like a long, rather positive marriage. There are tremendous ups and downs, and the partners occasionally get tremendously fed up with each other." (NYT)

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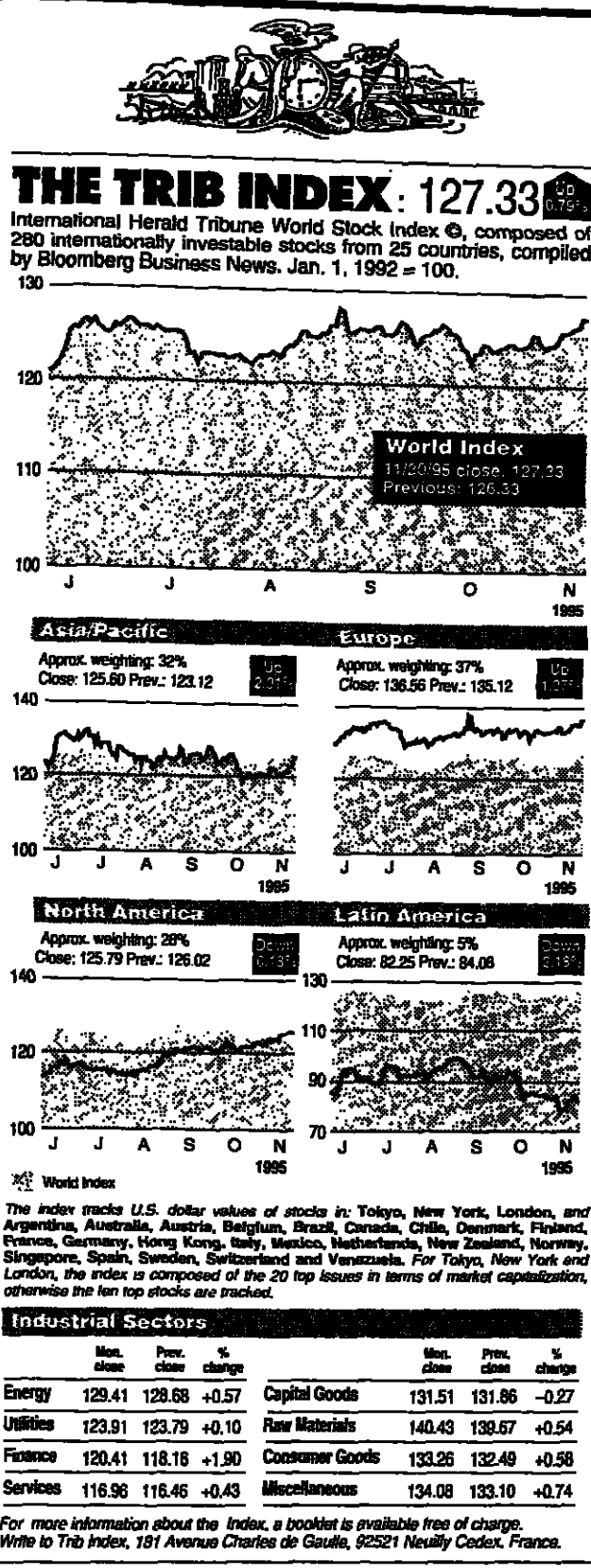
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Oracle	35.00	34.00	34.50	34.50	0.00
Sun	25.00	24.00	24.50	24.50	0.00
Novartis	15.00	14.00	14.50	14.50	0.00
Amgen	10.00	9.00	9.50	9.50	0.00
Boehringer	8.00	7.00	7.50	7.50	0.00
Novartis	7.00	6.00	6.50	6.50	0.00
Amgen	6.00	5.00	5.50	5.50	0.00
Boehringer	5.00	4.00	4.50	4.50	0.00
Novartis	4.00	3.00	3.50	3.50	0.00
Amgen	3.00	2.00	2.50	2.50	0.00
Boehringer	2.00	1.00	1.50	1.50	0.00
Novartis	1.00	0.50	0.75	0.75	0.00
Amgen	0.50	0.25	0.375	0.375	0.00
Boehringer	0.25	0.125	0.1875	0.1875	0.00
Novartis	0.125	0.0625	0.09375	0.09375	0.00
Amgen	0.0625	0.03125	0.046875	0.046875	0.00
Boehringer	0.03125	0.015625	0.0234375	0.0234375	0.00
Novartis	0.015625	0.0078125	0.01171875	0.01171875	0.00
Amgen	0.0078125	0.00390625	0.005859375	0.005859375	0.00
Boehringer	0.00390625	0.001953125	0.0029296875	0.0029296875	0.00
Novartis	0.001953125	0.0009765625	0.00146484375	0.00146484375	0.00
Amgen	0.0009765625	0.00048828125	0.000732421875	0.000732421875	0.00
Boehringer	0.00048828125	0.000244140625	0.0003662109375	0.0003662109375	0.00
Novartis	0.000244140625	0.0001220703125	0.00018310546875	0.00018310546875	0.00
Amgen	0.0001220703125	0.00006103515625	0.000091552734375	0.000091552734375	0.00
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Boehringer	0.00000000000000710542735753996670246124267578125	0.000000000000003552713678769983351230621337890625	0.0000000000000017597567893849916756153106689453125	0.0000000000000017597567893849916756153106689453125	0.00
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Uphill Climb for Volvo and Saab Are Sweden's Carmakers Large Enough to Survive?

By Erik Ipsen
International Herald Tribune

LONDON — Recent figures showing a surprising drop in profits at both Saab AB and Volvo AB in spite of strong growth in sales volumes have again raised fears that both carmakers are simply too small to survive.

At Saab, where the profit pinch is most severe, there is talk that six years after General Motors Corp. bought half the company and took over management control, it will get the remaining half for nothing — or even less.

"I think that GM is looking for a further capital injection before it will take over the business," said Gustaf Von Essen, an analyst with Carnegie Fondkommission in Stockholm.

For Investor AB, the holding company for the Wallenberg empire that holds half of Saab Automobile AB, the temptation to finally wash its hands of the company — even at the expense of agreeing to one last capital injection — now is increasingly attractive.

Last week the carmaker, which was split off from its profitable Scania truck unit this year, posted a third-quarter loss of 322 million kronor (\$49.2 million). With the prospect of more losses to come, Claes Dahlback, Investor's chief executive, said last week he had opened discussions with GM. "We are worried about the situation," he said.

In spite of strong sales growth in the United States, its most important market,

Volvo is also worried about its prospects. "They have got strong volume growth, good capacity utilization, and still their operating margins are only 3 percent," said Gunnar Andersson, an analyst with Svenska Handelsbanken in Stockholm. That margin falls far short of Volvo's own goal of 7 percent, much less the 8 percent achieved by Bayerische Motoren Werke AG.

Both Saab and Volvo have blamed high costs associated with developing new products as well as adverse currency movements for their problems. While agreeing with those assessments, outsiders suggest another problem plaguing both companies — they simply sell too few cars.

Even Volvo, the larger of the two, sold only 360,000 cars worldwide last year.

Size has long been an issue. It was, after all, the perceived need to spread huge new development costs across a larger volume of sales that drove Saab into the arms of GM and Volvo into a planned link with Renault.

After the collapse of the Renault deal in 1993, however, Volvo promptly surprised many when it had success with its new 850 model, posted soaring sales in the United States and benefited from a devalued krona.

Now, in spite of an impressive 15 percent jump in sales in the first three quarters of the year, margins there are tumbling. "The old concerns are coming through again," said Stephen Reitman, an analyst for UBS in London.

For Saab, the solution now seems a full

absorption into General Motors. Many analysts argue that after having poured 4 billion kronor into Saab and having watched Saab ring up losses of 11 billion kronor since the acquisition of its stake, the world's largest car company is simply in too deep to get out.

Volvo's future is harder to call. Profit is disappointing, plans for new models will eat up vast amounts of cash, but the company — in part because of its highly profitable truck unit as well as the sale of noncore assets — boasts a healthy balance sheet.

Analysts agree with Volvo's view that the company can easily afford to pay the costs of new models from its own resources.

"With lots of cash on hand, I think Volvo will hope to ride out this cycle and hope to do better in the next one," Mr. Andersson said. By most accounts, that puts the company's targeted margin of 7 percent in reach by 1998 at the earliest.

Prosecutor Drops Opel Case
German prosecutors said they had dropped the case against former Adam Opel AG production chief Peter Enderle, who resigned in July in connection with a corruption investigation at the carmaker. Bloomberg Business News reported from Darmstadt, Germany.

Mr. Enderle was under investigation on suspicion he had billed Opel for renovation work done on his home.

He denied the charges, saying he had done nothing wrong in 30 years at Opel.

EU Rolls Over Loose Limits on TV Programs

By Tom Buertke
International Herald Tribune

BRUSSELS — Seeking to end a bitter yearlong debate about whether to tighten quotas on foreign television programming or abolish them, European Union culture ministers opted for the status quo Monday and agreed to extend the bloc's current system of non-binding quotas.

The agreement will extend for at least five years the EU's 1989 "Television Without Borders" directive, which requires broadcasters to show at least 51 percent European programming "where practicable."

Although ministers agreed to review the situation after five years, they made no commitment to loosen or eliminate quotas at that time, as several EU countries had sought.

France welcomed the face-saving compromise, saying the agreement had avoided the dismantling of quotas sought by Britain, Germany and some other Northern European states.

"The idea that quotas would no longer exist is totally unacceptable," said Culture Minister Philippe Douste-Blazy.

British and German officials stressed the nonbinding nature of quotas under the agreement and said they had definitively buried French ambitions of making quotas more restrictive.

"It's a reasonable compromise," said Marcelino Oreja, the EU culture commissioner who helped craft the proposal.

The decision, which requires approval by the European Parliament, brought full circle an emotional cultural debate that has swept the Union since the issue nearly caused the collapse of world trade talks in 1993.

France narrowly failed in its campaign to make quotas legally binding across the EU at the

start of the year, then quickly found itself on the defensive when a majority of ministers called for the abolition of quotas at a meeting in Bordeaux in February.

But in recent months, both the pro-quota and anti-quota camps have accepted that they lack the votes to claim a clear victory.

Spain, Belgium, Portugal and Greece have stood behind France in its defense of quotas, while the Netherlands, Denmark, Sweden and Finland have worked with Britain and Germany to abolish them.

French officials said the agreement would make existing broadcast law more credible by ending legal uncertainty about which countries would have jurisdiction to judge quota compliance by individual channels.

One French official said the accord had provided a "very clear warning" that no broadcaster could seek to avoid France's tighter quotas, which stipulate a minimum of 60 percent European content, by basing channels in Britain or Luxembourg.

CNN Learns Spanish
Turner Broadcasting System Inc.'s CNN unit plans to launch an all-Spanish news channel for Latin America, while News Corp. plans to add Mexico's Grupo Televisa SA and Telecommunications Inc. of the United States to its NetSat Latin American venture, news agencies reported.

CNN's venture, which it plans to launch in early 1997, will be the network's first 24-hour production in a language other than English. CNN already offers six half-hour Spanish newscasts in Latin America.

News Corp.'s NetSat was formed in September and plans to begin broadcasting in March. (Reuters, Bloomberg)

Daimler Aerospace Clears Cost-Cut Plan

Bloomberg Business News

MUNICH — Daimler-Benz Aerospace AG said Monday it had approved a major cost-cutting plan as workers fearing job cuts and factory closures held protests at plants across Germany.

The company, which suffered a loss of 1.6 billion Deutsche marks (\$1.14 billion) in the first half of the current year, announced the plan in October, saying it would cut 8,800 jobs to try to return to profit. Daimler-Benz Aerospace has suffered from a sharp increase in the value of the mark against other currencies, which has dented the company's overseas sales.

Details about the decision are to be released Tuesday, after it is presented to Daimler-Benz AG, the parent company. Daimler-Benz took a 1.2 billion DM first-half charge to restructure the aerospace unit.

Günter Barnbeck, a spokesman for the IG Metall labor union, said, "We don't know whether they have changed the plan, but we are expecting a long-lasting debate."

The company would not say whether the management board had considered workers' concerns in approving the plan.

Mr. Barnbeck said that even if the company were to change some of the cost-cutting measures, the union would still op-

pose the company's stated goal of profit at an average exchange rate of 1.35 DM to the dollar, compared with just above 1.40 DM for the past several weeks.

Demonstrations were held at Daimler-Benz Aerospace plants in Germany on Monday to protest the company's profit targets, he said.

Shares in Daimler-Benz rose 9.50 DM, to 703. Analysts said the rise was due more to a temporary fall in the value of the mark in European trading than to optimism about the plan. Workers' representatives asked Daimler-Benz Aerospace to scrap the plan and start a new dialogue with them.

Thinking Ahead / Commentary

Will Germany Join the 21st Century?

By Reginald Dale
International Herald Tribune

WASHINGTON — Can Germany modernize its increasingly old-fashioned economy? Or are the Germans condemned to progressively lose their competitive edge as makers of cars, chemicals and machines, while their rivals pioneer the high-technology industries of the 21st century?

The question is far from new. Germany's business establishment has long warned that the country's competitive position is under threat from a mountain of exorbitant taxes and welfare payments, the world's highest labor costs and one of its strongest currencies.

Hitherto, it has been hard for Germans to take such complaints too seriously. Exports and wages have gone on rising along with the Deutsche mark, and German life has remained extremely comfortable.

But the moment of truth cannot be put off much longer, and not just for Germany. If Germany cannot change, what hope is there for the rest of Europe?

The new factors in the equation are increasingly relentless competitive pressures from the global economy and a growing realization that a complacent, over-regulated Germany is ill-equipped to deal with them. Capital has been pouring out of the country, and unemployment has been rising.

The good news is that a broad debate on the country's modernization is finally

getting under way, ahead of most other European countries. There is growing acceptance that the country must become more innovative and entrepreneurial — in other words, more like the United States.

Surprisingly, this line of thinking has been given new impetus by last week's congress of the Social Democratic Party, the main opposition party, which elected the controversial Oskar Lafontaine as its leader in what was widely seen as a move to the left.

Largely lost in the fuss over Mr. Lafontaine was the adoption of the party's new economic program, which actually marks a fundamental shift to the right. According to Peter Glotz, a leading Social Democrat who is close to Mr. Lafontaine, the party has dropped its previous focus on welfare and deficit-financed job-creation programs, and now wants to promote risk-taking and the launch of venturesome high technology companies.

What this signifies is that all the main political groups, from the governing Christian Democrats to the Greens, at least now agree on the end — if not on all of the means. They are speaking the same language for the first time.

The problem, Mr. Glotz told a Washington seminar, is that the "cash cows" of the 21st century — computers, software, semiconductors and biotechnology — are not much in evidence in Germany, or anywhere else in Europe. In the past 30 years, he said, not a single European company has grown from nothing to worldwide status like Microsoft Corp. or Apple Computer Inc. of the United States.

Meanwhile, said Thomas Mayer, of Goldman, Sachs & Co. in Frankfurt, Germany's welfare system is preventing the necessary shakeout of workers from industry to the service sector that occurred in the United States in the 1980s. German workers prefer to remain unemployed than to take lower paid service jobs.

A good sign is the increasing recognition, even among labor unions, that costs and wages must be brought under control. But it will not be easy to reform the welfare system or to make the necessary legal changes to allow entrepreneurial activity to flourish.

There is little evidence so far of the complete change in the national mentality that politicians and economists increasingly believe to be necessary. It may be that Germans are still too comfortable, that they have not yet reached their pain threshold.

They may also be deluding themselves. Many seem to want to become more like Americans without creating a more unequal society. That is not going to happen. Unfortunately, for many Europeans, the first step to modernizing will have to involve a reduction in expectations.

OPEC Struggles With Quota Blues

Compiled by Our Staff From Dispatches

VIENNA — Saudi Arabia says that enforcing OPEC's current output ceiling, rather than lowering the quota, is the route to higher oil prices, cartel sources said Monday.

On the eve of talks among oil ministers of the Organization of the Petroleum Exporting Countries on how to defend oil prices, delegates were quick to criticize members that regularly exceeded their agreed quotas.

"This is a volunteer organization, and it's very important for each country to respect its signature," a delegate from a Gulf producer said. "Otherwise, there's no way to enforce discipline."

They said conditions would be right for higher oil prices if OPEC could maintain its daily output ceiling of 24.52 million barrels a day into next year and that cracking down on quota violators would allow the cartel to cash in on rising oil demand.

"If OPEC had no cheating at all, the price will go up even under the lowest forecast" for oil demand, an OPEC source said.

Western monitors say cash-pinch Venezuela is the biggest contributor to an excess of about 1 million barrels over OPEC's current production ceiling. Others alleged to have broken quotas include Qatar and Nigeria. Venezuela has strongly denied its production has risen above its quota.

OPEC also must contend with rising production by nonmembers such as Britain and Norway. Appeals to those countries and others to join in curbing supplies have been unsuccessful.

Small, poorer OPEC sellers also chafe at being bound by quotas. Ecuador quit OPEC in 1992, and Gabon now wants to do the same. It says the annual membership fees of \$1.8 million are not worth paying.

(Reuters, Knight-Ridder)

China's Tariff Plan Is Far From Clear

Compiled by Our Staff From Dispatches

BEIJING — When President Jiang Zemin announced Sunday that China would cut import tariffs and remove other trade barriers, he raised more questions than he answered, analysts said Monday.

At a summit meeting of the Asia-Pacific Economic Cooperation forum, Beijing said Sunday it would cut tariffs on more than 4,000 of the 6,000 items that China imports.

Beijing also said it would allow foreigners to form joint-venture trading companies, permit expansion of retail sales by joint ventures and abolish quotas and import controls on 170 goods.

But diplomats in Beijing on Monday were scrambling, apparently without success, to obtain details of the measures. Without a definite outline, they said, it would be difficult to assess the effect of the moves on China's application to join the World Trade Organization, which the measures were clearly meant to enhance.

Some pointed out that Mr. Jiang did not mention that China

NOTICE

On 24 November 1986 United States Lines Inc. ("USL"), with principal place of business in Cranford, New Jersey, United States of America, was granted protection under Chapter XI of the U.S. Bankruptcy Code, which includes extension of time for payment.

On 31 March 1987 USL was adjudicated bankrupt in the Netherlands through a branch office in Rotterdam, Mr A.H. Bos and Mr W.G. van Hassel being appointed Trustees and Mr C.H.B. Boof being appointed Judge-Delegate. Since 24 November 1986 USL has also been adjudicated bankrupt or declared insolvent in a similar way in other countries in Europe and the Far East through local branch offices.

In order to complete the bankruptcy proceedings of USL in the Netherlands, the Judge-Delegate has directed that:

- All (Dutch and foreign) creditors of USL have to file their claims with the Trustees ultimately on Friday 29 December 1995;
- With due observance of Section 203 of the Dutch Bankruptcy Act, all (Dutch and foreign) creditors of USL have to mention, upon filing their claims in other countries as well and whether they have received any payment in consideration thereof or otherwise since 24 November 1986, whether or not by means of setoff, and, in the affirmative, on which date (s) and in which amount (s);
- The meeting of creditors will be held on Wednesday 14 February 1996 at 9.00 hours in the Courthouse at Noordsingel 113-117 in Rotterdam.

The postal address of the Trustees is: Trenité Van Doorne, Advocaat, Weena 666, 3012 CN Rotterdam. Further information to be asked with Mr A. Stendahl or Mr A.P.J. Lantzenodder, telephone number: +31 (0) 10-4042111, fax number: +31 (0) 10-4042333.

CURRENCY & INTEREST RATES

Cross Rates									
	USD	DM	FF	Yen	GBP	HK\$	NT\$	INR	Other
Amsterdam	1.382	2.495	1.116	120.00	0.937	1.000	1.000	1.000	1.000
Bombay	20.175	4.095	2.025	5.89	1.229	1.000	1.000	1.000	1.000
Frankfurt	1.415	2.187	1.024	120.00	0.937	1.000	1.000	1.000	1.000
London (ex)	1.345	2.001	1.000	120.00	0.937	1.000	1.000	1.000	1.000
Madrid	10.245	18.00	10.00	1.00	1.00	1.00	1.00	1.00	1.00
Munich	1.395	2.440	1.116	120.00	0.937	1.000	1.000	1.000	1.000
New York (D)	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Paris	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Tokyo	100.00	16.00	8.00	1.00	1.00	1.00	1.00	1.00	1.00
Toronto	1.310	2.107	1.000	120.00	0.937	1.000	1.000	1.000	1.000
Zurich	1.115	1.768	0.807	120.00	0.937	1.000	1.000	1.000	1.000
1 ECU	1.223	1.858	0.915	120.00	0.937	1.000	1.000	1.000	1.000
1 SDR	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Coverages in Amsterdam, London, Paris and Zurich, figures in other centers: New York and Toronto rates of 3 p.m. 0: To buy one pound: To buy one dollar: Units of 100 N.O.; not quoted: N.A.; not available.

Eurocurrency Deposits									
	USD	DM	FF	Yen	GBP	HK\$	NT\$	INR	Other
1 month	5 1/4 - 5 1/2	3 1/4 - 3 1/2	2 1/4 - 2 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2
3 months	5 1/4 - 5 1/2	3 1/4 - 3 1/2	2 1/4 - 2 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2
6 months	5 1/4 - 5 1/2	3 1/4 - 3 1/2	2 1/4 - 2 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2
1 year	5 1/4 - 5 1/2	3 1/4 - 3 1/2	2 1/4 - 2 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2	1 1/4 - 1 1/2

Rates applicable to interbank deposits of 25 million minimum (or equivalent). Sources: Reuters, Lloyd's Bank.

Key Money Rates									
	USD	DM	FF	Yen	GBP	HK\$	NT\$	INR	Other
Discount rate	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Prime rate	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
3-month CDs	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
90-day T-bills	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
1-year Treasury bill	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
2-year Treasury note	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
5-year Treasury note	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
10-year Treasury note	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
30-year Treasury bond	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
90-day T-bill	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
1-year T-bill	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
2-year T-bill	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
5-year T-bill	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
10-year T-bill	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2

Source: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo, Commercial Bank, Credit Lyonnais.

Forward Rates									
	USD	DM	FF	Yen	GBP	HK\$	NT\$	INR	Other
Forward Sterling	1.547	1.528	1.518	1.508	1.498	1.488	1.478	1.468	1.458
Forward Dollar	1.351	1.351	1.351	1.351	1.351	1.351	1.351	1.351	1.351
Forward Yen	1.405	1.405	1.405	1.405	1.405	1.405	1.405	1.405	1.405

Sources: ING Bank (Amsterdam), Indesit Bank (Brussels), Banca Commerciale Italiana (Milan), Agence France-Presse (Paris), Bank of Tokyo (Tokyo), Royal Bank of Canada (Toronto), NAB (Sydney). Other rates from 6:00 a.m. to 4:00 p.m.

EUROPE

BellSouth Joins Thyssen in Bid for Stake in DBKorn

DÜSSELDORF — Thyssen AG and BellSouth Corp. of the United States are jointly bidding for a 49.9 percent stake in DBKorn GmbH, the telecommunications unit of the railway operator Deutsche Bahn AG, a Thyssen official said Monday.

Dieter Vogel, chairman of Thyssen AG subsidiary, the Thyssen AG subsidiary that owns 72.7 percent of Thyssen Telecom, said the bid for a stake in DBKorn would also include another big German partner, but he declined to elaborate.

DBKorn operates the German railway system's internal communications network, producing sales of around 1 billion Deutsche marks (\$714 million) annually, Mr. Vogel said.

The bid is part of a plan by Thyssen and BellSouth to form a joint company, the name of which has yet to be disclosed, to apply for a national telephone

license to compete with state-owned Deutsche Telekom AG. "DBKorn could be the first asset of the venture with BellSouth," Mr. Vogel said. Thyssen Telecom would hold 60 percent of that company, with BellSouth holding the rest.

DBKorn owns the largest fixed-wire network in Germany that is not in the hands of Deutsche Telekom. Thyssen and BellSouth are not likely to be the only companies bidding for the asset, however. VEB AG, VIAG AG, RWE AG and Mannesmann AG have also signaled intentions to bid for the stake. DBKorn has said final bids must be in Tuesday, though a decision will not be made before next spring.

Industry analysts have speculated that VEB could be Thyssen Telecom's German partner. Thyssen, VEB and BellSouth are already partners in the E-Plus mobile telephone network consortium.

Separately, Thyssen Telecom said it had raised about 1 billion DM in a sale of shares to a group of European banks. The move completed the first step in Thyssen AG's plan to float the unit on German stock exchanges by the end of the decade and lowered Thyssen's stake in the subsidiary to 72.7 percent.

Commerzbank AG, Westdeutsche Landesbank Girozentrale AG and ING Groep of the Netherlands were among the banks that bought shares in the offer. The German private bank Sal. Oppenheim Jr. & Co. raised its stake in the telecommunications concern to 11 percent from 10 percent. The other stakes ranged from 3 percent to 10 percent.

Mr. Vogel said Thyssen Handelsunion AG would allow its stake to fall further. "We don't want to go below 60 percent, but that's a good range," he said.

Thyssen Telecom received 2,154 DM for each bearer share in the transaction.

Thyssen said it was not looking for strategic partners and said the banks were free to sell the shares to third parties.

Murdoch's Long Shadow Moves Shake, and Shape, U.K. Industry

By Richard W. Stevenson
New York Times Service

LONDON — When Rupert Murdoch moves, the British newspaper industry shakes, a lesson that has once again been pounded home.

News International PLC, the British subsidiary of Mr. Murdoch's Sydney-based News Corp., said last week it had decided to cease publication of Today, a 10-year-old tabloid that had run up big losses.

With a daily circulation of 573,000, Today was the least prominent of Mr. Murdoch's papers in Britain — he also owns The Times of London, The Sunday Times, The Sun and the weekly News of the World — but its death was still significant.

In a nation where newspapers are closely identified with political parties, Today was the only one of Mr. Murdoch's papers to support the opposition Labour Party, which holds a lead in the polls over the governing Conservatives as Britain approaches its next general election, which must be held within 18 months. Mr. Murdoch has forged closer ties over the past year with the new Labour leader, Tony Blair, and has suggested that his continued support of the Conservatives is not to be counted on.

Mr. Murdoch has been feuding with Conservatives over their proposals to limit media ownership in a way that would restrict his ability to increase his television holdings unless he scaled back his newspaper holdings. He said this year that the proposals, still making their way through Parliament, might lead him to close newspapers that were losing money.

A spokeswoman for News International said the media-ownership proposals had had no effect on the decision to close Today and that the company had invested millions of dollars in the paper just this summer.

The closing put Today's readers up for grabs, with the main contenders being The Sun, which has long been anti-Labour, and The Daily Mirror, which is owned by Mirror Group

PLC and has long been strongly pro-Labour. Having shaken up the tabloid market, Mr. Murdoch, whose papers account for more than one-third of Britain's newspaper circulation, has done the same to the broadsheet newspaper business. He also said last week that he would raise the price of The Times, his flagship paper, from 25 pence (39 cents) to 30 pence.

Mr. Murdoch set off a price war two years ago by slashing the price of The Times, first from 45 pence to 30 pence, and then to 20 pence, moves that helped raise the paper's circulation 90 percent to 675,000.

The Times, which does not release details of its financial performance, bumped its price back up to 25 pence this year, largely to offset the rising cost of newsprint, the same reason given for the current price increase.

The latest increase allowed The Daily Telegraph, which with a circulation of 1 million is Britain's biggest-selling broadsheet, to say Friday that it would raise its price to 40 pence from 35 pence.

The previous day, The Telegraph reported that its pretax profit in the first nine months of 1995 was down 24 percent from a year earlier, at £25.6 million. The paper, a unit of Telegraph PLC, said rising newsprint costs were the main reason for the decline.

"In these circumstances, it is desirable to follow News International's lead," the Telegraph said.

Mr. Murdoch's moves come just as another big player in the tabloid end of the business, Express Newspapers PLC, owner of The Daily Express, The Sunday Express and The Daily Star, may come up for sale.

The talk of the London media scene in recent weeks has been a public acknowledgment by Sir Andrew Lloyd Webber, the theatrical composer and producer, that he was interested in forming a group to make a bid for Express Newspapers, which is owned by United Newspapers Ltd.

He made it clear that he would want partners with newspaper experience if he pursued a bid for Express, which is not formally for sale.

Bergesen and Havtor to Merge

Reuters

OSLO — Directors of Bergesen d.y. A/S and Havtor A/S said Monday they had agreed to recommend a merger of the shipping companies.

The boards said they had agreed on a swap ratio of 70 Havtor shares for each 11 Bergesen shares. Bergesen, Norway's biggest shipper, is the world's largest independent tanker operator and a market leader in large liquefied petroleum gas carriers. Havtor is a major player in the medium-to-large tanker sector.

A merger would also make Bergesen the market leader in this sector. The combined company would have a market value of about 10 billion

kroner (\$1.6 billion), analysts said. The deal would call for the issuance of 18.9 million new Bergesen shares, bringing the number of shares outstanding after the merger to 75.8 million. Bergesen's shares rose 1 krona, to 125.

Kvaerner A/S, a shipbuilding company that owns 44.99 percent of Havtor, said it favored the proposed merger.

"If there is a merger we will get a central ownership position in Bergesen," said Aude Kigen, a spokesman for Kvaerner.

"This would be a strategic financial investment for us."

The merger is set to occur on Jan. 1.

Paris Takes Step Back On Ending Tax Break

Compiled by Staff From Dispatches

PARIS — In a move to reassure French residents facing tough cuts on welfare spending, Finance Minister Jean Arthuis said Monday that any abolition of a universal tax break would be offset by lower income-tax rates.

Mr. Arthuis said no decision had been made on whether to eliminate a 20 percent deduction applied to all salaries.

Mr. Arthuis suggested the elimination of the tax break and a wide range of other deductions given to certain professions Sunday. But his comments apparently upset Prime Minister Alain Juppé, who already faces popular unrest over his plans to increase taxes and cut health-care spending to bring down the welfare deficit.

Mr. Juppé, speaking on television Sunday night, played down the finance minister's comments, referring to the scrapping of the 20 percent tax break as Mr. Arthuis's idea.

French newspapers saw Mr. Juppé's reaction as a sign of irritation that Mr. Arthuis had spoken out of turn and further evidence of the prime minister's determination to keep tight control over major decisions rather than leaving them to the Finance Ministry.

The government plans to announce a major overhaul of income taxes early next year.


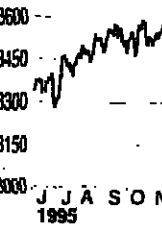
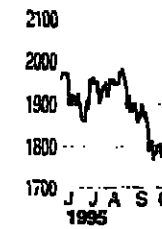
Mr. Juppé also defended his plan to radically reform France's deficit-plagued social security system, saying it "puts in place a mechanism of control that did not exist before."

"It's less costly and more equitable," Mr. Juppé said of his plan, which is based on universal medical insurance and uniform contributions from the populace.

He said France's economy overall was in "good condition, with no inflation." But he said that to allow for the lower interest rates crucial to economic growth, France's deficit, which accounts for more than 5 percent of its gross domestic product, must be cut.

(Reuters, Bloomberg)

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
				
J J A A S O N 1995	J J A A S O N 1995	J J A A S O N 1995		
Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	EOE	463.51	460.41	+0.67
Brussels	Stock Exchange	7,958.32	7,919.97	+0.48
Frankfurt	DAX	2,218.30	2,201.28	+0.77
Copenhagen	Stock Market	356.73	355.63	+0.31
Helsinki	HEX General	1,858.38	1,829.19	+1.60
Oslo	OBX	394.86	391.30	+0.91
London	FTSE 100	3,626.60	3,609.20	+0.54
Madrid	Stock Exchange	302.14	300.12	+0.67
Milan	MIBTEL	9,149.00	9,159.00	-0.11
Paris	CAC 40	1,861.40	1,860.52	-0.48
Stockholm	STX	1,887.95	1,855.15	+1.77
Vienna	ATX 100	914.92	901.45	+1.49
Zurich	SPI	2,046.71	2,032.67	+0.69

Source: Telekurs

Information of News & Outlook

NYSE

Monday's 4 p.m. Close
(Continued)

High	Low	Open	Close	High	Low	Open	Close
100.00	99.00	99.50	99.50	100.00	99.00	99.50	99.50
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Herald Tribune

ASIA/PACIFIC

5 Asian Countries Agree to Cooperate In Currency Crises

Compiled by the Staff from Dispatches

HONG KONG — Five Asian central banks signed a pact Monday designed to maintain stability in the region's currency markets and banking system.

At a meeting of officials from 10 central banks, five of them signed bilateral agreements allowing them to borrow from one another to bolster their reserves in times of crisis.

Under the so-called repurchase agreements, the central banks would effectively be able to borrow U.S. dollars from one another by pledging securities as collateral. Each could then use those dollars to buy its own currency in the market.

The agreements were signed by Australia, Hong Kong, Indonesia, Malaysia and Thailand. Four of those countries said Friday they expected to sign such accords, and Australia subsequently decided to join as well.

The Hong Kong Monetary Authority, the British colony's unofficial central bank, signed with the other four central banks, said Joseph Yam, chief executive of the monetary authority. He would not say which countries had signed agreements among themselves.

Mr. Yam said the Hong Kong Monetary Authority was also discussing a bilateral repurchase agreement with China's central bank.

Governors and senior officials from the central banks of China, Japan, New Zealand, the Philippines and South Korea also attended the gathering but were not known to have signed any accords.

A number of Asian currencies, including the Hong Kong dollar, were hit by a wave of speculation early this year amid fears that the Mexican peso crisis would spill over into Asia.

At the time, analysts said there was no fundamental reason Asian currencies should come under attack, as their economies were basically sound.

At the initiative of the Hong Kong Monetary Authority, the central banks of Indonesia, Malaysia, South Korea, Singapore and Thailand met in January to discuss ways of defending Asia's currencies against speculation in the wake of the Mexican peso crisis.

Gabriel Singson, governor of the Philippine central bank, said that while he did not sign any agreements Monday, he expected to do so within two months.

The agreements do not give central banks carte blanche to tap into the reserves of their neighbors, as the potential lender has the right to refuse a loan, Mr. Yam said. At this stage, the agreements only involve U.S. Treasury securities, he said.

A notable absentee from the group was Singapore, which along with Hong Kong is one of the region's biggest foreign-exchange trading centers.

Andrew Fung, an analyst at HSBC Markets, said the agreements would "be strengthened if they can be extended to Singapore."

(Reuters, AFP)

Burma's Bullish Goals

Bourse Will Be Born Soon, Officials Say

By Kevin Murphy
International Herald Tribune

RANGOON — With many of Asia's established stock markets suffering a dose of emerging-market blues, Burma's determination to open its own stock exchange as soon as possible might appear premature.

But longtime socialist economic planners in this isolated country who now are looking toward long-term development on capitalist lines can't wait to get started — with or without portfolio investors from New York, London or Hong Kong.

"We had wanted to be started by Nov. 20, but we'll have to try for the end of the year," said Kyi Aye, governor of the Central Bank of Myanmar, as the government now calls the country. "It will definitely happen. Everything is in the pipeline."

Less than seven years into an economic program that welcomes private and foreign investment in many sectors, Rangoon is finding the actual pace of change a bit slow.

Poor and cut off from most economic aid because of the military-led government's poor record on human rights and its treatment of the political opposition, Burma does not have the money to grease the gears of its newly liberalized economy.

For example, the state now controls about 1,700 individual businesses in varying stages of financial health — many of them sickly. Although Rangoon would like to sell most of them, it so far has managed to unload only six of 51 companies it has offered for sale.

"There is a lot to be done," Mr. Kyi said. "We need a lot of public companies. Many of these shares will be denominated in local currency, but some of these shares can be sold in the international market."

Together with Daiwa Securities Co. of Japan, Rangoon is determined to establish its first securities company as soon as a new securities law is promulgated. Then, once negotiations are concluded, a Daiwa joint venture with state-owned Myanmar Economic Bank is to supervise over-the-counter trading in as many as

20 Burmese companies that have sold shares to individual investors.

At this point, most public companies in Burma are state-controlled or are joint ventures of state-owned businesses with private and foreign investors. But a handful, such as First Myanmar Investment Co., are completely in private hands.

"I don't think it will be too long coming," said Serge Pun, who heads First Myanmar, one of several businesses he has established in Burma and Hong Kong over the past few years. "The government is not shy of showing their determination to do it."

First Myanmar already has 1,900 shareholders, according to Mr. Pun, and a lively trade in its shares is conducted at its headquarters near Rangoon's central train station.

If all goes according to plan with over-the-counter trading, state planners will wait until at least five securities firms have been formed before establishing a full-fledged stock exchange. Mr. Pun said he planned to run one of the initial five firms and would soon announce a joint venture of his own with a foreign brokerage concern.

Skeptics point to Vietnam's difficulties in establishing a stock market when predicting numerous postponements for Rangoon's ambitious plans. Hanoi has struggled to create a legal framework and a suitable number of candidates for listing.

But officials in Rangoon appear to have fewer ideological reservations about a stock market than their Communist neighbors, and they have a legal system still largely intact from British colonial days.

Rangoon also has the example of its close ally China, which started two stock exchanges in Shanghai and Shenzhen well before all their problems were ironed out.

Chinese regulators have had a difficult time keeping pace with securities market developments and rampant speculation. But hundreds of local companies have been able to raise finances in less than five years since the two markets opened, a breakthrough not lost on the budding capitalists of Rangoon.

Rate Fears And Peso Hit Stocks In Manila

Bloomberg Business News

MANILA — Philippine stocks plunged to their lowest level in more than two years Monday amid pessimism that interest rates will climb and the weakening peso will increase import costs.

The Philippine Stock Exchange composite index fell 67.60 points, or 3 percent, to 2,196.48, its lowest close since Oct. 19, 1993. Declining stocks outnumbered advancing ones by a ratio of about 12-to-1.

Shares in Petron Corp., the country's largest oil refiner, fell 5 percent. The company, of which Saudi Arabian Oil Co. owns 40 percent, has been unable to collect from a depleted state-run buffer fund that had cushioned fuel-cost increases.

Petron's profit in the nine months through September dropped 25 percent, to 1.98 billion pesos (\$75.6 million). Petron shares fell 50 centavos Monday, to 10 pesos, just 1 peso above the price at which they were listed in August 1994 and well below their peak of 21.60 reached a year ago.

Analysts said foreign funds had been pulling money out of Asia's emerging markets amid concern that inflation was threatening growth in the region.

"Every time we try to grow spectacularly, we have these embarrassing bottlenecks," said Alexander Gilles, research chief at Anson Hagedorn Securities Inc.

The Philippine central bank has raised rates to combat what it says is an attack on the peso, and shares in property companies have suffered from the prospect of a sustained rate increase.

Filinvest Development Corp., a large Philippine property company, saw its shares drop about 8 percent, to 15.25.

A sharp fall in the value of the peso would also make imports more expensive.

Philippine inflation is running at an annual rate of about 11 percent. The economy grew at an annual rate of 5.0 percent in the second quarter, down from 5.5 percent in the first quarter.

Investor's Asia

Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	9,373.91	9,267.90	+0.93
Singapore	Straits Times	2,086.88	2,077.41	+0.46
Sydney	All Ordinaries	2,126.40	2,119.70	+0.32
Tokyo	Nikkei 225	18,363.82	18,151.20	+1.28
Kuala Lumpur	Composite	883.80	888.91	+0.55
Bangkok	SET	1,193.43	1,198.18	-0.23
Seoul	Composite Index	831.64	846.95	-1.65
Taipei	Stock Market Index	4,565.72	4,583.49	-0.39
Manila	PSE	2,196.48	2,264.08	-2.99
Jakarta	Composite Index	453.13	456.94	-0.70
Wellington	NZSE-40	2,147.90	2,155.57	-0.36
Bombay	Sensitive Index	3,111.23	3,102.59	+0.28

Source: Reuters

International Herald Tribune

Very briefly:

• China and Burma joined Cambodia, Laos, Thailand and Vietnam for a meeting of the Mekong River Commission in Ho Chi Minh City; the commission aims to raise \$260 million for infrastructure projects along the river, which flows through all six countries.

• PT Indosat shares fall 2 percent after Morgan Stanley Group Inc. said it would drop the stock from its Indonesia index Dec. 1 to make way for PT Telekomunikasi Indonesia, which started trading last week.

• New Zealand's jobless rate fell to 6.1 percent at the end of the third quarter from 6.3 percent in the second quarter; employment rose by 20,000, about double what analysts had expected.

• Tokyo Electron Ltd., which makes equipment for semiconductor factories, will build a 4 billion yen (\$39.1 million) plant in Hillsboro, Oregon.

• S. Korea's AG granted Samsung Electronics Co. a license to make and sell computer chips for so-called smart cards in South Korea; the cards can be used in pay phones, as bank cards and for pay-TV systems.

• Associated Cement Cos., India's largest cement maker, is to start making tires, a director at the company said; he would not comment on reports that the company would form a joint venture with the Japanese tiremaker Bridgestone Corp.

• NKK Corp. is to join forces with the trading companies Marubeni Corp. and Mitsubishi Corp. to form a \$17 million joint venture with China Petroleum Material & Equipment Corp. to make seamless steel drill pipe in China.

• Rockwell International Corp. plans to increase its sales in China to more than \$500 million, from about \$80 million in the latest financial year; the company plans to make large gains in avionics and automation.

• China's aviation industry expects to double its annual passenger and freight volume between now and the end of the century.

AP, Bloomberg, Reuters

Daiwa to Slash Assets

Reuters

TOKYO — Daiwa Bank Ltd. said Monday it would cut assets related to its international operations by \$26.7 billion, or slightly more than half, under a restructuring plan ordered by Japanese authorities.

The plan commits Daiwa to making drastic reductions in its lending, securities and trading operations abroad over the next 11 months.

Japan's Finance Ministry required Daiwa to submit the plan after U.S. authorities told the bank this month to shut its U.S. operations by Feb. 2 for allegedly concealing \$1.1 billion in bond-trading losses at its New York branch.

Merrill Gets a Warning in Tokyo

Bloomberg Business News

TOKYO — The Tokyo Stock Exchange served Merrill Lynch & Co. on Monday with a warning for breaking a stock-trading rule that this month brought the brokerage a two-day partial suspension from trading by the Finance Ministry.

The exchange said its chairman, Mitsuhide Yamaguchi, had given a stern warning to

Hisashi Moriya, chairman of Merrill Lynch Japan Inc., and had asked him to "make improvements."

It was the "lightest measure" that the exchange could have taken in view of the violation, a spokesman for the exchange said. The warning was issued to record the fact that Merrill Lynch had violated a rule and to caution the firm not

to repeat the action, he said. The exchange did not say what consequences Merrill would face if it ignored the warning.

The commission said Merrill Lynch had broken a rule prohibiting trading of stocks in companies while soliciting bids for their new shares, convertible bonds or warrant bonds as part of an underwriting.

Taiwan Semiconductor Plans to Build U.S. Plant

Bloomberg Business News

HSINCHU, Taiwan — Taiwan Semiconductor Manufacturing Co., Taiwan's largest chipmaker, will join with several customers to build a \$1.2 billion semiconductor-chip plant in the United States, he company said Monday.

The group will break ground in mid-1996 at a location yet to be determined, the company said.

One of the partners will be Altera Corp., an American company that makes programmable logic chips. Taiwan Semiconductor

did not list other investment partners and did not say how much of a stake it planned to hold in the new plant.

"We are continuing to be aggressive in addressing worldwide demand for semiconductor manufacturing capacity," said Don Brooks, president of Taiwan Semiconductor.

The factory will make chips for Taiwan Semiconductor's joint-venture partners and for its customers.

The Taiwan company said a few months ago it was in the early stages of planning a

U.S. plant. Gary Tseng, vice president of Taiwan Semiconductor, said last month that the company might decide on a factory site before year-end.

Taiwan Semiconductor is about 35 percent-owned by Philips Electronics NV of the Netherlands.

Also on Monday, Taiwan's Ministry of Economic Affairs said export orders received by Taiwan companies rose 17.3 percent in October from a year earlier, to \$9.87 billion, largely because of demand for high-technology goods.

Singapore Sets Ties to Germany

Reuters

SINGAPORE — Asian economic success does not have to come at the expense of European jobs, Singapore Prime Minister Goh Chok Tong said Monday. He said the economic partnership between Singapore and Germany provided a good example of the benefits of cooperation.

Speaking at a dinner for Chancellor Helmut Kohl of Germany, Mr. Goh said the recently opened German Center for Trade and Industry in Singapore would allow small and medium-sized German companies to enter the Asia-Pacific market.

"Asia's success, contrary to the views of some pessimists in Europe, will not be at the expense of European jobs," Mr. Goh said. "Instead, we see the potential of good economic synergy between the two continents."

He said Asia, led by East Asia, was in the midst of an industrial revolution that would create a growing middle-class market for European consumer goods.

Mr. Goh pointed to the joint German-Singaporean program for training workers from developing Asian countries and the formation of a bilateral business forum as further examples of the scope for partnership between Europe and Asia.

Mr. Kohl, who is on a three-day visit to Singapore, said bilateral trade would continue growing rapidly with increased economic cooperation.

The chancellor, who has already visited China and Vietnam during the trip, is in Singapore with a 130-member delegation to expand trade and political ties with the island republic.

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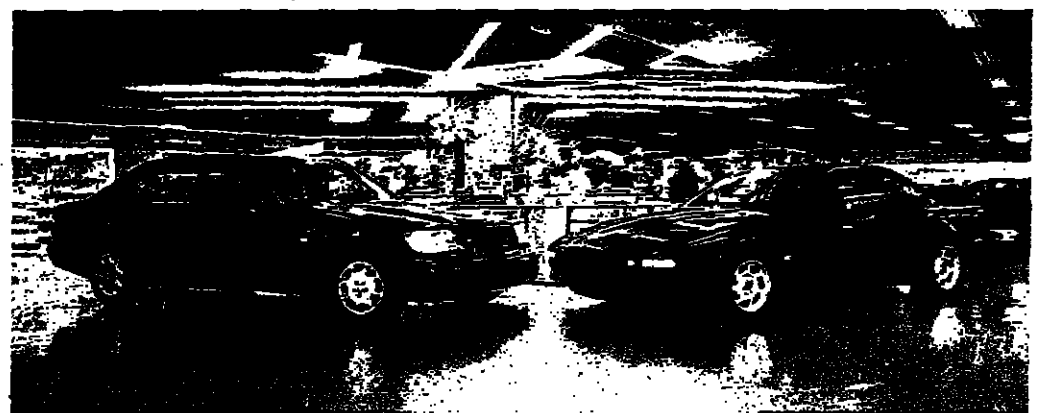
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THE SECRET *Part Two* *THE SECRET*

WORLD ROUNDUP



Baltimore's Mike Pringle holds Canadian Football's Grey Cup.

Baltimore Is CFL Champ

CANADIAN FOOTBALL Carlos Huerfano kicked five field goals Sunday as the Baltimore Stallions beat the Calgary Stampeders, 37-20, to become the first U.S.-based team to win the Grey Cup in the Canadian Football League's 83-year history. (AP)

Australia Wins Series

CRICKET Australia, without its injured leg-spinner Shane Warne, still bowled Pakistan out for 220 on the fourth day at Bellerive Oval, Hobart, to win the second test by 153 runs and go 2-0 in to wrap up the three-test series. Pakistan's batsman Aamir Sohail was fined half his match fee and suspended for two matches for throwing his bat. In Pretoria the rain-hit first test between South Africa and England was abandoned as a draw on the fifth and final day. (Reuters)

Olympic Champion Dies

ICE SKATING Sergei Krivonozhko, 30, an Olympic and world skating champion, collapsed and died of a heart attack Monday during a practice session with his wife, Yekaterina Gordieva, at the Olympic Ice Arena in Lake Placid, New York. Krivonozhko and his wife were two-time world champions and won the Olympic gold medal for pairs figure skating in 1988 and 1994. (AP)

Austrian Wins Slalom

SKIING Michael Tritscher of Austria beat Sebastian Amiez of France by 0.03 seconds in a World Cup slalom in Beaver Creek, Colorado, on Sunday. Tritscher, second to Italy's Alberto Tomba in last season's slalom standings, had a two-run time of 1 minute, 35.29 seconds. Tomba was third. (AP)

Record for Chinese Woman

WEIGHTLIFTING A Chinese weightlifter, Chen Xiaomin, set a world record on her way to sweeping three golds in women's 59-kilogram category of the world weightlifting championships. Chen, 18, lifted 123.5 kilograms in the clean-and-jerk section of the category, bettering the record of 123 kilograms set by Zou Fei of China in Istanbul last year. Sixty-four positive dope tests have been recorded in weightlifting this year, a steep increase from 1994, according to the International Weightlifting Federation. (Reuters)

UConn Record Falls

BASKETBALL Louisiana Tech rallied from four points down in overtime to defeat the national champion, the University of Connecticut, 83-81, in the Women's Basketball Hall of Fame Tip-Off Classic. The loss ended Connecticut's 35-game winning streak. (AP)

Chiefs: Not So Pretty But 10-1 Looks Swell

The Associated Press
The Kansas City Chiefs are the perfect team for this not-so-pretty NFL season. They're not so pretty, but if there's a bizarre way to win, they'll find it.

The Chiefs improved to a league best 10-1 Sunday night, beating Houston 20-13 on

NFL ROUNDUP

Mark Collins' 34-yard return of Todd McNair's fumble with 15 seconds left.

It came just a minute and 35 seconds after Chris Chandler's 40-yard pass on fourth-and-25 was plucked from the air in the end zone by a leaping Chris Sanders to tie it, and marked the fourth time the Chiefs have won this season on the last play of the game. Three came in overtime on a field goal, an interception return and a punt return and, in Sunday's game, Collins' play on a fumble forced by Doug Terry.

"I'm starting to think there may be divine intervention helping us along," a Chiefs guard, Dave Szott, said.

"To be honest, we probably didn't deserve to win in regulation," Collins said.

Cowboys 34, Raiders 21 Emmitt Smith ran for three touchdowns and Troy Aikman threw a 17-yard scoring pass to Michael Irvin. Smith, who gained 111 yards on 19 carries, scored on runs of 13, four and four yards and has 20 rushing touchdowns for the season, — four short of the NFL record for a season with five games left. Irvin caught seven passes for 109 yards, while Aikman was 19 of 24 for 227 yards.

Oakland played the second half without Jeff Hostetler, who reinjured his left shoulder, and 40-year-old Vince Evans threw TD passes of 24 yards to Tim Brown and 16 yards to Kerry Cash, pulling the Raiders to 31-21 early in the fourth quarter.

It was an emotional lift for the Cowboys after their loss at home last week to banged-up San Francisco.

"When we lost that game last week, we lost a lot. A lot of emotion," Smith said. "Believe me, it's up to a lot of people. I think this game was very important for us."

Falcons 34, Rams 6 Jeff George passed for 352 yards and four touchdowns, three to Terance Mathis, as the Falcons handed St. Louis its fourth loss in five games and took the lead in the National Football Conference West, pending San Francisco's game Monday night. The two teams came into the game tied for the division lead.

Mathis had 10 catches for 134 yards. Isaac Bruce of the Rams, seeking to tie the NFL record with his fourth straight 100-yard receiving game, came up 10 yards short by catching seven passes for 90 yards.

Broncos 30, Chargers 27 Terrell Davis ran for 176 yards, including 53 on Denver's game-winning drive, and the Broncos won on Jason Elam's 32-yard field goal with 2 seconds left. Denver had blown a 27-10 lead before the winning drive.

The defending AFC champion, San Diego, playing for the second straight week without running back Natrone Means, fell to 4-7.

Bills 28, Jets 26 Jim Kelly threw for 316 yards, hitting Billy Brooks seven times for 103 yards and two touchdowns, and Buffalo held on to win when Thomas Smith broke up the Jets' two-point conversion pass with no time left.

The Jets pulled within two points when Boomer Esiason hit Adrian Murrell with a 41-yard desperation pass in the end zone.

Vikings 43, Saints 24 A day after turning 39, Warren Moon turned in one of the best performances of his 12-year NFL career with 338 yards and four touchdowns for Minnesota.

He led the Vikings on scoring drives all seven times he got the ball against a defense that had given up fewer than 20 points in each of the last four games.

Eagles 28, Giants 19 For the second time this year, Randall Cunningham polished off the New York Giants for Rodney Peete.

Just as he did five weeks ago when he last played, Cunningham finished for Peete, who hurt his hip. Fred Barnett caught two TD passes from Peete and Ricky Waters rushed for two scores for the Eagles.

In games reported in early editions Monday:

Steelers 48, Bengals 31 Kordell Stewart's 71-yard touchdown reception was the crushing blow as the Steelers scored 36 straight points in the second half for a victory over the Cincinnati Bengals.

Pittsburgh overcame an 18-point deficit, its second-biggest comeback ever, for its fourth straight victory. The Steelers took control of the AFC Central at 7-4 and avenged an earlier 18-point loss to Cincinnati (4-7).

Packers 31, Browns 20 The Browns lost for the third straight time since the news broke that they're moving to Baltimore, falling to Green Bay as Brett Favre passed for three touchdowns and ran for another.

Favre, who threw five touchdown passes in a victory over Chicago last week, was impeccable again, completing 23 of 29 for 210 yards. He gave Green Bay a 21-3 halftime lead with short scoring passes to Dorsey Levens, Mark Chmura and Anthony Morgan, then interrupted the Browns' attempt at a fourth-quarter comeback by scrambling four yards for a touchdown.

Colts 24, Patriots 10 Marshall Faulk outplayed Curtis Martin, New England's rookie running sensation, and Jim Harbaugh did the same to Drew Bledsoe as Indianapolis beat New England.

Indianapolis broke a two-game losing streak in a key AFC East matchup. The Patriots suffered a severe blow to their already slim playoff chances.

Panthers 27, Cardinals 7 Having already broken the record for victories by an expansion team, Carolina is ready to double it, winning for the fifth time in six games.

Kerry Collins threw for 201 yards and two touchdowns Sunday and the Panthers held Arizona to its lowest yardage total in 40 years.

Seahawks 27, Redskins 20 Robert Blackmon intercepted passes from both Washington quarterbacks, Gus Frerotte and Heath Shuler, sending one to the bench and thwarting the other's comeback attempt, and Chris Warren ran for 136 yards as Seattle beat the Redskins.

In an inconsistent game between inconsistent teams, Seattle took advantage of five Washington turnovers to win its third straight game.

The Redskins threw four interceptions and lost a fumble to lose their third in a row.

Lions 24, Bears 17 Don Majkowski threw a 11-yard touchdown pass to Herman Moore with 2:32 left, and the Lions won their second straight game since the Detroit owner William Clay Ford gave Coach Wayne Fontes an ultimatum — make the playoffs or face a firing.

Receivers Brett Perriman, who had a career-high 12 catches for 142 yards, and Moore, who caught six for 68, got open all day against the Bears' injury-depleted and inexperienced cornerbacks.

Buccaners 17, Jaguars 16 Tampa Bay hung on to win after Steve Buehlein's 3-point conversion pass to Jimmy Smith was caught just out of bounds with 37 seconds left.

With the Jaguars trailing, 17-10, Buehlein, replacing the injured Mark Brunell early in the fourth quarter, threw a 12-yard scoring pass to Pete Mitchell, completing a 96-yard drive. Rather than go for the extra point and probable overtime, Tom Coughlin, the Jaguars' coach, decided to go for two and the win but failed.



Deion Sanders of Dallas outjumping Raghib Ismail of Oakland to intercept a pass. The Cowboys won the game, 34-21.

College Basketball's Sorriest Statistic
What Can Be Done About 39% Graduation Rate?

By Malcolm Moran
New York Times Staff Writer

The season has barely started, but the results are already in.

What follows are not first-half scores; they are graduation rates:

UCLA 25, Arizona 20
Seton Hall 36, Syracuse 21
Louisville 27, Kentucky 21
Georgia Tech 33, Georgia 19
Minnesota 19, Illinois 13

These percentages are far from the only chilling figures that provide evidence of years of institutional failure or neglect beyond the games.

As the U.S. college basketball season begins to gather pace, let's remember that the graduation rate of 39 percent among all male basketball players in the 107 Division I-A schools is the lowest among any group of athletes, male or female, in the National Collegiate Athletic Association report released earlier this year.

Football players at the same schools graduated at a 53 percent rate.

This is not about that tiny percentage of future superstars who leave school a year or two early to collect their millions. It has more to do with the myth of basketball as an end rather than a means, a sales pitch made simpler by the development of professional leagues throughout the world.

"Pick a country," said Richard Lapchick, director of Northeastern University's Center for Sport In Society, an organization responsible for 9,000 former college athletes' returning to school to earn their degrees after their eligibility had expired.

"Even South Africa now has a pro league with American players playing in it, and that's making it worse," he said. "The ability to extend the illusion of that dream beyond college is in multiples of what it was 10 years ago."

The latest edition of the association's

annual report includes scholarship athletes who entered school in the freshman classes from 1985 through 1988 and graduated within six years.

The method for producing the numbers is imperfect, and not always fair. If a player accepted a scholarship, transfers and graduates from another school, his departure counts against the initial school's percentage.

And the six-year span means that coaches who have inherited an academic shambles will be left with a lingering reputation.

The Kansas rate of 30 percent includes much of the Larry Brown era, a period that included both a national championship and violations that led to NCAA sanctions.

Connecticut, which has a less-than-ordinary 43 percent rate that includes a period before the arrival of Jim Calhoun, graduated all five of its seniors in the remarkable class of 1995. The success of that group, and others entering college after 1988, is not yet reflected in the survey.

But there are far too many embarrassing numbers to suggest that misleading statistics are to blame, particularly at schools where coaches established their programs years ago.

At the highest level of the college game, the coach is the chief executive officer and personnel director. Assistants investigate the backgrounds of players. The head coach often closes the deal, looking parents in the eye as he makes his pitch.

The intensely personal selection process, and the extensive tutoring services often available to athletes, far exceeds anything within reach of the normal student. If a player does not work out, the coach should share the blame.

But where is the accountability? Would Lou Henson have survived at Illinois with a winning percentage of .130? Would Jim Boheim still be at Syracuse if he won 21 percent of his games? What

would Missouri's Norm Stewart be doing for a living now with a winning percentage of .250?

George Raveling, the former Southern California coach who once had the word "educator" painted outside his office, was at the University of Southern California for all but one of the incoming classes in the survey. The USC rate was 20 percent. Indiana's 56 percent rate, while not an eyesore, hardly approaches Bob Knight's reputation of making iron-fisted academic demands.

Other programs, with similar competitive pressures, have built superior records. Providence had a 91 percent rate with classes that included the 1987 Final Four team. John Thompson, who took over a pitiful Georgetown team in 1972 and placed a symbolic deflated basketball in his office, has an 86 percent rate. North Carolina (82 percent), Villanova (83 percent), Virginia (83 percent) and Stanford (86 percent) somehow find a way.

Here is an inducement to help the others along. If university presidents are serious about improving academic performance, they can add some minimum graduation rates and consequences for a failure to reach them.

If a team wants to play in one of those early-season events that are exempt from the maximum allowable number of games, such as a Hawaii tournament trip, the rate must be at least 50 percent. And if the figure drops below 35 percent in two consecutive reports, and the same coach is still in place, the school would be ineligible for one NCAA tournament.

All right, so such a rule would lead to the same response that has greeted so many other rules: instantaneous circumvention in the form of an easily gained degree.

But for the hundreds of players at risk, the potential of a bogus diploma, as sad as that would be, is not nearly as bad as a bogus education.

Nelson's Four-Guard Tricks Almost Fail the Knicks

The Associated Press
Don Nelson's unorthodox lineups have been working pretty well for the New York Knicks, who have won seven of their first nine games. His latest gimmick — four guards and a big man — was successful for a while against the Vancouver Grizzlies, but with the game slipping away, Nelson was forced to go back to his conventional starting lineup. Even the starters nearly didn't get it done. New York needed Patrick Ewing's basket with 30 seconds left to defeat Vancouver, 98-93, Sunday night.

Despite holding the Grizzlies, the league's lowest-scoring team average, to 19 points in the third quarter, the Knicks couldn't build a lead until Nelson went to a lineup of Derek Harper, Gary Grant, Hubert Davis and John Starks, teaming first with forward Anthony Mason, then Ewing.

The Knicks' starters came back just before Greg Anthony, the former Knick who was left unprotected in the expansion draft, hit a three-pointer to tie the game at 91. Ewing grabbed a rebound and scored to put the Knicks ahead for good with 30.5 seconds left.

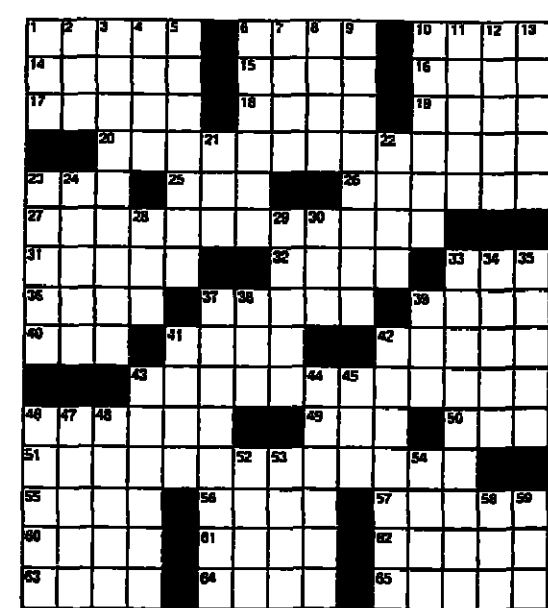
Hawks 108, Kings 94 In Sacramento, California, Mookie Blaylock hit two long three-pointers to launch a fourth-quarter spurt, and Steve Smith had 32 points to lead Atlanta. The Hawks, winning for the fifth time in six games, denied the Kings their best 10-game start since 1968-9 when the franchise was the Cincinnati Royals.

Lakers 109, Clippers 88 In Inglewood, California, Cedric Ceballos scored 13 of his 25 points in a five-minute span of the fourth quarter as the Lakers snapped the Clippers' five-game winning streak and averaged a 25-point loss to the Clippers last December.

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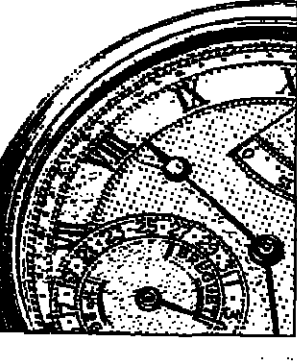
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(Continued From Page 4)

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SPORTS

The Real Test For Champions

Reuters
Ajax Amsterdam, the current cup holder, meets the all-time European Cup winner, Real Madrid, in a crucial Champions' League clash Wednesday at the Santiago Bernabeu stadium.

Real, whose record of six titles still stands after 29 years, must beat the Dutch, four-time winners, if it is to stand a chance of winning Group D and avoid playing Juventus, the favorite in the quarterfinals.

The Spanish team, which might have been expected to feel the strain of the resignation of its longtime president, Ramon Mendoza, is in fact in a better frame of mind for the match than at any time this season.

Real lost, 1-0, when the two teams met in Amsterdam in their first group match in September. The team was only in seventh place in the Spanish league before this weekend but beat the leaders, and local rivals, Atletico Madrid, 1-0, on Saturday, showing a resilience in defense that had been lacking.

Ajax takes with it a record of achievement that would daunt even the Real of old, which won its first five European Cups between 1956 and 1960 and a sixth title in 1966.

Ajax, which won the trophy in May and before that from 1971 to 1973, is unbeaten in 49 league games after the 4-1 victory Sunday over Groningen and a record 15 European Cup matches. Yet minor injuries are signs that the pressure is beginning to exact a toll.

It is the clubs' sixth meeting in the competition. Real won its

first-round clash over two legs in the 1967-68 season and Ajax took the two-legged semifinal of 1973.

Juventus, which has already won Group C with two games to spare, is at home to Borussia Dortmund, which it beat, 3-1, away in September at the start of an impressive European Cup run not matched by patchy league form. But the Italians beat Fiorentina, 1-0, on Sunday and may rest a number of first-choice players, including either Alessandro Del Piero or Gianluca Vialli, on Wednesday, knowing it has clinched the group and faces second-place Parma next weekend.

Dortmund, seven points behind Juventus in second place, is vying with the 1986 winners, Steaua Bucharest, for the other quarterfinal berth in the group. The Romanians are away to Glasgow Rangers, who will only retain a chance of qualifying if they win and the Germans lose.

Dortmund's coach, Ottmar Hitzfeld, fears his team could lose unless it improves on Saturday's league performance despite a 4-1 victory.

"We will not pass the test in Italy with a performance like that against Karlsruhe," he said.

In the top half of the quarterfinal draw, Spartak Moscow has already qualified and looks set to secure top place in Group B when takes on the Blackburn Rovers at home.

Rovers, at the bottom of the group with only one point, suddenly found championship form in a 7-0 rout of Nottingham Forest in their English Premier League game last Saturday.



Harvesting the Lily Ponds for a Crop That Falls From the Skies

A woman scavenging for golf balls in a pond at the Royal Hong Kong Golf Club during the last round of the Hong Kong Open. Gary Webb, of the United States, closed with three birdies for a five-under-par 66 for a 13-under total of 271 and a two-stroke victory over Rafael Alarcon of Mexico. Payne Stewart shot a 66 to finish at 281. Sam Torrance closed with a 73 for 284.

the 1987 champions Porto away.

The Portuguese team, which began as the group favorite, is two points behind and must win to retain a chance of qualifying.

Panathinaikos' only defeat was away to Aalborg, its opponent on Wednesday. It has just been beaten for the first time in the Greek league this season, 1-0, by its Athens rival, AEK.

The UEFA Cup, featuring six former European Cup winners, enters the third round on Tuesday. Bayern Munich is at home to Benfica in the first leg of the only tie that pits two of them against each other.

■ **FIFA Bows to Europe**

The leaders of the soccer federations of the six continents met Joao Havelange, the head of world soccer's governing body, FIFA, in Zurich on Monday and

wrested away some of his powers. The meeting endorsed a plan

to reform the sport, force UEFA to share World Cup revenues and increase the powers of the continental federations.

■ **Concans' trainer, Massimo Cacciatore, hit in the face last week in a brawl after an Anglo-Italian Cup match against Birmingham City, had surgery for a broken jaw.**

Sharks and Flyers Are Lifted by Trades

The Associated Press
It hasn't taken long for a couple of National Hockey League trades to make an impact.

For the third successive game, goaltender Chris Terreri was outstanding for San Jose. And this time the Sharks even won, defeating the Chicago Blackhawks, 3-2, Sunday night.

In Philadelphia, Pat Falloon contributed to a Flyers' victory

NHL ROUNDUP

for the second successive game, scoring a goal for his new team in a 3-2 overtime triumph over Vancouver.

"I'm just trying to score a couple goals and help out anyway I can," said Falloon, who was acquired from San Jose on Thursday for a couple of 1996 draft picks.

Terreri, acquired Wednesday from the New Jersey Devils for a second-round draft choice next year, stopped 28 shots. Terreri also played well in starts at St. Louis on Thursday and Dallas on Friday, both losses. He surrendered just two goals each time and stopped a combined total of 66 shots.

For a change, the Flyers' Legion of Doom line wasn't a factor in either of their weekend victories. Eric Lindros, who centers the line, had a meaningless goal at the end of Saturday's victory at Hartford.

This time, it was the unheralded Chris Therien who scored the game-winner 32 seconds into overtime. Falloon contributed a first-period goal that temporarily tied the game, 1-1. The victory in Philadelphia

extended the Flyers' unbeaten streak to four. The Canucks, 0-5-1 in their last six games, had tied the game, 2-2, on Alexander Mogilny's 16th goal 3:13 into the third.

Sharks 3, Blackhawks 2 In Chicago, Terreri's performance helped San Jose snap a seven-game losing streak.

San Jose, which won for just the second time in 20 games this season, got goals from Ulf Dahlén, Craig Janney and Kevin Miller. Denis Savard scored twice for Chicago, which plays its next seven games on road.

Sabres 6, Senators 0 In Buffalo, New York, Dominik Hasek had 31 saves and gained his first shutout of the season as the Sabres defeated Ottawa.

The Vezina Trophy winner continually frustrated the last-place Senators, who lost their eighth straight and dropped to 6-13-0 in the Northeast Division.

Donald Audette had two goals and Brad May, Matthew Barnaby, Pat LaFontaine and Derek Plante each scored one for the Sabres, who have won four straight. Buffalo reached .500 for the first time since the second game of the season.

"Winning is contagious," said Nolan. "If you're on a roll you keep it going. These guys are coming to the rink every day and going to work."

■ **Franklin's 4, Mighty Ducks 3** Brian Skrudland scored twice and Jody Hull once during a 3-07 span midway through the third period as visiting Florida rallied to beat Anaheim.

Anaheim blew a 3-1 lead.

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

Team	W	L	Pct	GB
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W. York	11	2	.846	0
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Ind.	10	3	.769	1/2
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Orl.	9	4	.692	1 1/2
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N. York	8	5	.615	2 1/2
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Bro.	7	6	.538	3 1/2
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Phila.	6	7	.462	4 1/2
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Wash.	5	8	.385	5 1/2
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Atl.	4	9	.308	6 1/2
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Chi.	3	10	.231	7 1/2
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Det.	2	11	.154	8 1/2
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W. Mich.	1	12	.077	9 1/2
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Ind.	0	13	.000	10 1/2
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W. Mich.	0	13	.000	10 1/2
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Ind.	0	13	.000	10 1/2
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W. Mich.	0	13	.000	10 1/2
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Ind.	0	13	.000	10 1/2
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W. Mich.	0	13	.000	10 1/2
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Ind.	0	13	.000	10 1/2
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W. Mich.	0	13	.000	10 1/2
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Ind.	0	13	.000	10 1/2
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W. Mich.	0	13	.000	10 1/2
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W. Mich.	0	13	.000	10 1/2
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Ind.	0	13	.000	10 1/2
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W. Mich.	0	13	.000	10 1/2
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Ind.	0	13	.000	10 1/2
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MAJOR COLLEGE SCORES

FOOTBALL

NFL STANDINGS

AMERICAN CONFERENCE

Team	W	L	T	Pct	PF	PA
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Buffalo	8	3	0	.727	223	196
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Miami	6	4	0	.600	235	181
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Ind.	6	5	0	.545	210	210
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New Eng.	4	7	0	.364	177	242
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N.Y. Jets	2	9	0	.182	143	285
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Pittsburgh	7	4	0	.636	227	242
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Chickaw	4	7	0	.364	209	277
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Cleveland	4	7	0	.364	201	244
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Houston	4	7	0	.364	223	223
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Jacksonville	3	8	0	.273	184	250
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Kansas City	10	1	0	.909	265	161
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Oakland	8	3	0	.727	271	187
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San Diego	4	5	0	.455	240	201
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Seattle	5	6	0	.455	249	273
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San Diego	4	7	0	.364	196	238
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Seattle	5	6	0	.455	249	273
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San Diego	4	7	0	.364	196	238
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Seattle	5	6	0	.455	249	273
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San Diego	4	7	0	.364	196	238
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Seattle	5	6	0	.455	249	273
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Seattle	5	6	0	.455	249	273
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Seattle	5	6	0	.455	249	273
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Seattle	5	6	0	.455	249	273
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San Diego	4	7	0	.364	196	238
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ART BUCHWALD Newt's Shutdown

WASHINGTON — My favorite curmudgeon in Washington is Newt Gingrich. Apparently, he shut down the U.S. government because he felt that President Clinton snubbed him on Air Force One when they were both flying back from Prime Minister Rabin's funeral in Israel.



Buchwald

I have always considered Newt to be smart, but to bring the most powerful nation in the world to its knees because of a perceived presidential slight was really good thinking.

I can imagine the conversation with his wife when they arrived home from the trip.

"That does it," Newt said. "If he won't talk to me on the plane, it's no more Mr. Nice Guy. I'm going to close down the government and let the U.S. default on our government bonds for the first time in history."

I like to believe that Mrs. Gingrich tried to talk him out of it.

"Newt, maybe the President was playing gin rummy with Leon Panetta and he didn't know that you were on the plane."

"Of course he knew. That's why he put Bob Dole and me in tourist class. He even made us pay for our own drinks."

"You should have sent him a note telling him that it was no way to treat the speaker of the house."

"I did. I said that I wanted to discuss the budget with him and he explained that he was doing

the Times crossword puzzle. This town is going to be shut tighter than a drum unless I get a public apology."

"Did you talk it over with Bob Dole?"

"He told me that I could shut down the Grand Canyon as far as he was concerned. Bob said that when Clinton seated us at the back of the plane with the bomb-sniffing dogs, he insulted the entire Republican Party and he will be impeached for it when no one picks up the country's garbage next week."

"Newt, are you planning to go public with the snub?"

"I have to. The American people will start to ask why we have shut down the government. When the good citizens hear what they fed us for lunch on Air Force One, they'll understand our decision."

"Maybe you ought to sleep on it, Newt."

"That's another thing. Do you think that the speaker of the house should be seated three across on the plane between two Marine guards?"

"Hillary was very nice to me, Newt."

"She's always nice to the wives. But she walked right past me when she handed out the hot towels. Some day when the history books are written, that airplane ride will go down as the defining moment of this century."

If the president makes the speaker of the house exit out the back door of the plane again, every government worker in the country will be sent home."

"I get so upset when you're angry, Newt."

"I have always said, 'Ask not what your country can do for you, but what you can do to your country.'"

Finding New Ways to Foil the World's Art Thieves

By Alan Riding
New York Times Service

LONDON — Every time a museum or a private collection has a major art theft, the ghost of Dr. No seems to stir, as if the only credible reason for stealing an instantly recognizable painting were to satisfy the passion of some manic millionaire to view a masterpiece in the privacy of his castle.

As it happens, international art crime is far less romantic. Last year, Norway's National Gallery recovered Edward Munch's "Scream" after thieves tried to sell it to undercover agents for one-hundredth of its estimated worth.

A year earlier, priceless paintings by Vermeer and Goya, stolen in Ireland in 1986, were found in the trunk of a car in Belgium.

Indeed, while sensational thefts of famous paintings continue to draw headlines, the best protection for these works may be that it is impossible to dispose of them. "The most valuable works of art can't be sold anywhere, but the thieves are so dumb that they don't realize it," said Charles Hill, head of the arts and antiques squad of London's Metropolitan Police.

Unfortunately, however, most art thieves are not dumb. And if experts now estimate the booming international trade in stolen, smuggled and looted art to be worth \$4.5 billion to \$6 billion per year, it is because these thieves know precisely where to find buyers for the great majority of stolen goods.

The immense complexity of combating this largely invisible organized crime was underlined at "Art Theft and Its Control," a two-day conference that brought together representatives of museums, insurance companies, dealers, auction houses, Interpol, Scotland Yard and Unesco.

Predictably, those attending the conference last week, organized by Lloyd's of London Press in association with the Art Loss Register, heard a dismal string of stories of art theft, pillaging and trafficking, as well as disheartening estimates that only 5 percent of all stolen art is

recovered. Fingers were also pointed at unprincipled art dealers as important accomplices in this trade.

Yet what made the conference unusual was that, rather than just bemoaning the lack of government and police action, it focused on practical ways of fighting the plague, including the use of new security and identification techniques and computerized records of stolen objects, the adoption of tighter ethical codes and promotion of a new international convention on the return of stolen or illegally exported art.

Part of the problem lies in defining stolen art. As Constance Lowenthal, executive director of the New York-based International Foundation for Art Research, noted, "art theft is only a little younger than art itself," with the Roman, Habsburg and Napoleonic empires, Nazi occupation forces and the Soviet army among the most infamous collectors of spoils of war.

Further, major European and American museums boast fine collections of Egyptian, Greek and Roman art that were formed in the 19th century under dubious circumstances, while over the past 50 years pillagers and smugglers have helped satisfy the Western demand for ancient art from Asia, Africa and Latin America. Now, with the collapse of communism, the former Soviet bloc is the latest region to be ransacked by thieves and smugglers for its art.

But while the Western art interests represented at the London conference try to encourage art-rich poor countries to safeguard their sites (France, for example, has trained the 450-member Heritage Police to protect Cambodia's Angkor Wat), they favor closer monitoring of Western markets for Third World antiquities by insisting that museums and dealers establish the legitimacy of their purchases.

Even here, though, it is not always easy for source countries to prove that art objects have been stolen, as Turkey discovered in its nine-year battle with the Metropolitan Museum of Art in New York to recover the so-called Lydian Hoard of silver looted from tombs in its Usak region in the



Munch's "Scream": The thieves tried to sell it to undercover agents.

1960s. Although the objects were returned to Turkey in 1993, the very fact that they were looted meant they were undocumented.

Museums are becoming more cautious about handling Third World antiquities. This fall, the British Museum threatened to withdraw \$7 million in loan to the Royal Academy's show "Africa: The Art of a Continent" if the academy also displayed a separate collection of terracotta sculptures looted from Mali.

In theory, antiquities from, say, Guatemala or Nigeria or Cambodia should be protected by the 1970 UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property. But in practice, while the treaty has been adopted by 80 nations, the United States, Australia and Canada are the only art-importing countries that are applying it.

This year, a new effort to plug loopholes in this agreement led to adoption of a so-called Unidroit Convention on

Stolen or Illegally Exported Cultural Objects, which establishes that the possessor of a stolen or illegally exported object must return it even if it was acquired in good faith. Claimants must file for restitution within three years of tracing the object and within 50 years of its disappearance.

But there are still doubts about the effectiveness of this new convention, negotiated at the Rome-based International Institute for the Unification of Private Law, known as Unidroit. It was approved in June, with 37 countries voting in favor, five against and 17 abstaining, among them the United States.

The heated debate on the convention here this week in turn reflected the depth of opposition among Western art dealers, who say that the ban on illegally exported cultural objects could destroy the trade in antiquities from art-rich countries.

There is nonetheless wide support in the West for the convention's proposed way of handling stolen art because, with the exception of renowned paintings, most such objects eventually find their way onto the market. Here, the innocent buyer of a stolen object can receive compensation only by demonstrating "due diligence" in determining that it had not been stolen.

Insurance companies, which paid close to \$1 billion last year for artworks stolen in Britain alone, are particularly eager for both museums and collectors to improve their security and to tap new technologies for marking art objects for identification, including use of chemical codes, electronic tagging, bar codes, microphotography and laser fingerprinting.

Still, with stolen art objects often moved quickly across borders to countries where they are less known, victims of art theft must be prepared to be patient. Moise Kislak's "Bouquet of Flowers," for example, was stolen in Paris in 1979 and found in Tel Aviv 15 years later. "If a painting is not recovered in the first few days," Nick Gargan of Interpol's London office noted discouragingly, "it could take months or years."

POSTCARD

The Grandfatherly New York Cabbie From Hell

By Joe Sexton
New York Times Service

NEW YORK — The cab fare was \$3, and the woman paid with a \$5 bill. The driver, Raymond Colucci, his voice full of hushed innocence, turned from the wheel and told the woman she had given him only a single, which he handed over. The woman, skeptical but rushed, handed back a \$10 bill. Colucci gave her \$6 in change after the woman told him he could keep a dollar for a tip.

The back-seat math worked out this way: A \$3 ride had cost the woman \$8.

And Colucci, after adding to the illicit wad of profits he kept bound with a rubber band above his cab's windshield visor, circled back to the Port Authority bus terminal in search of another fare.

There was no violence, no exchange of epithets, just another score for a man identified last week by the Taxi and Limousine Commission as one of the 10 worst cabbies in the city.

His sparkling blue eyes and grandfatherly tone notwithstanding, Colucci, 58, may also have been the most corrupt of the 10, officials said. "Oh, he is a sweetheart," Christopher Lynn, the chairman of the Taxi and Limousine Commission, said. An administrative law judge later found Colucci guilty of ripping off the woman.

"His scam was to sound like the calmest, most rational man in the world," Lynn said. "Butter wouldn't melt in this man's mouth. But he had been stealing money from people every day he drove a cab in this city."

Lynn said it was impossible to estimate how much money Colucci may have swindled from riders in his 20 years of driving a cab. And he said he had opted not to turn the information over to prosecutors because he

was not convinced they would be moved to mount a criminal case against a relatively small-time operator.

Colucci did not return a telephone message left with his family seeking his comment.

According to Lynn, when Colucci was informed recently that his license to drive a cab had been revoked, he asked how long he would be sidelined. After being told "forever," Colucci made one final pitch for his job: He told Lynn that because the city's cabbies were dominated by immigrants who had trouble with the language and were unfamiliar with the city, New York really needed a man like him.

There aren't many like me left, he said. The appeal was rejected. Colucci turned to go, but paused to ask if, since he was done driving a cab, he could get back the \$250 he had paid as his final fine.

"The man was incurable," Lynn said.

WEATHER

Europe									
	Today	High	Low	Tomorrow	High	Low	Today	High	Low
Algeria	21/12	25/23	12	21/12	25/23	12	Algeria	21/12	25/23
Amsterdam	9/18	8/16	10	9/18	8/16	10	Amsterdam	9/18	8/16
Antwerp	7/14	12/10	8	7/14	12/10	8	Antwerp	7/14	12/10
Athens	11/19	11/11	13	11/19	11/11	13	Athens	11/19	11/11
Berlin	15/01	13/05	9	15/01	13/05	9	Berlin	15/01	13/05
Birmingham	5/17	5/17	9	5/17	5/17	9	Birmingham	5/17	5/17
Bombay	6/13	22/18	9	6/13	22/18	9	Bombay	6/13	22/18
Buenos Aires	10/19	8/16	10	10/19	8/16	10	Buenos Aires	10/19	8/16
Calcutta	2/20	1/11	8	2/20	1/11	8	Calcutta	2/20	1/11
Cairo	7/14	12/10	8	7/14	12/10	8	Cairo	7/14	12/10
Cardiff	12/13	12/13	10	12/13	12/13	10	Cardiff	12/13	12/13
Chennai	2/20	1/11	8	2/20	1/11	8	Chennai	2/20	1/11
Copenhagen	7/14	12/10	8	7/14	12/10	8	Copenhagen	7/14	12/10
Dublin	12/13	12/13	10	12/13	12/13	10	Dublin	12/13	12/13
Edinburgh	9/18	8/16	10	9/18	8/16	10	Edinburgh	9/18	8/16
Frankfurt	9/18	8/16	10	9/18	8/16	10	Frankfurt	9/18	8/16
Geneva	8/16	8/16	10	8/16	8/16	10	Geneva	8/16	8/16
Hamburg	3/17	1/11	8	3/17	1/11	8	Hamburg	3/17	1/11
Helsinki	3/17	1/11	8	3/17	1/11	8	Helsinki	3/17	1/11
London	11/12	11/12	10	11/12	11/12	10	London	11/12	11/12
Los Angeles	18/24	18/24	10	18/24	18/24	10	Los Angeles	18/24	18/24
Madrid	11/12	11/12	10	11/12	11/12	10	Madrid	11/12	11/12
Moscow	6/13	22/18	9	6/13	22/18	9	Moscow	6/13	22/18
Mumbai	2/20	1/11	8	2/20	1/11	8	Mumbai	2/20	1/11
Nairobi	12/13	12/13	10	12/13	12/13	10	Nairobi	12/13	12/13
Paris	9/18	8/16	10	9/18	8/16	10	Paris	9/18	8/16
Perth	11/12	11/12	10	11/12	11/12	10	Perth	11/12	11/12
Rangoon	2/20	1/11	8	2/20	1/11	8	Rangoon	2/20	1/11
Rio de Janeiro	18/24	18/24	10	18/24	18/24	10	Rio de Janeiro	18/24	18/24
Sao Paulo	18/24	18/24	10	18/24	18/24	10	Sao Paulo	18/24	18/24
Seoul	11/12	11/12	10	11/12	11/12	10	Seoul	11/12	11/12
Shanghai	2/20	1/11	8	2/20	1/11	8	Shanghai	2/20	1/11
Singapore	2/20	1/11	8	2/20	1/11	8	Singapore	2/20	1/11
Taipei	2/20	1/11	8	2/20	1/11	8	Taipei	2/20	1/11
Tokyo	11/12	11/12	10	11/12	11/12	10	Tokyo	11/12	11/12
Yokohama	11/12	11/12	10	11/12	11/12	10	Yokohama	11/12	11/12

Forecast for Wednesday through Friday, as provided by Accu-Weather.



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